S. Hrg. 98-686

FIELD HEARING ON AVIATION MATTERS

HEARING

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

FIELD HEARING

JACKSON, MISS.
MISSISSIPPI WITNESSES
DEPARTMENT OF TRANSPORTATION
Federal Aviation Administration

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
30-248 O WASHINGTON : 1984

5181-31

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FIELD HEARING ON AVIATION MATTERS

MONDAY, JANUARY 9, 1984

U.S. SENATE,
SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
Jackson, Miss.

The subcommittee met at 8:30 a.m. in the Diplomat Room, Ramada Inn Metro, Jackson, Miss., Hon. Mark Andrews (chairman) presiding.

Present: Senators Andrews and Cochran.

CONGRESSIONAL WITNESSES

OPENING REMARKS

Senator ANDREWS. The subcommittee will come to order.

Today our Appropriations Subcommittee on Transportation is going to hear from the Honorable Billy Martin, mayor of Lexington; Hon. Kenneth D. Dill, mayor of West Point; Kenneth Barfield, the director of the Mississippi Aeronautics Commission; and Gene Smith, director of the Golden Triangle Regional Airport in Columbus, regarding aviation issues in Mississippi. Following their presentations, the subcommittee will hear from Administration witnesses representing the Secretary of Transportation and the FAA Administrator.

The Transportation Subcommittee is privileged to have as members both Mississippi Senators. Their perspective on transportation has been invaluable to me as chairman. At Senator Cochran's suggestion, we are conducting this field hearing to take stock of various aviation matters, especially the impact of deregulation and service to people in small and rural communities. I might say and add that I imagine the impact on Mississippi is not too far different from the impact on North Dakota communities. We have small communities that desperately need airline service.

I might also add that it's almost like coming home for me. Thad and I served together in the House. I was the ranking Republican for 14 years on an appropriations subcommittee with Jamie Whitten, and Jamie and Rebecca and I have pretty well traveled all over together. My roommate at West Point was one Barney Pool who now runs the stadium here in Jackson, so from the standpoint of a northlander, I have probably got more Mississippi connections than you would want to know. And, of course, in all those years in the House, 18 years, when I would go to conference, your senior Senator, John Stennis, would be sitting on the other side of the table and in his graceful and most effective way would always be most helpful.

AVIATION DEREGULATION

In Washington there has been continued debate on the impact of transportation deregulation. Aviation deregulation was heralded as being a boon to the consumer. I voted for aviation deregulation, one of those votes that I have to candidly say now I regret having made. I got smart a little later on and voted against deregulation in railroads and trucks and buses and I think that most of us have come now, although we are having a difficult, difficult time to get the administration and a couple of our colleagues to come along, to realize that regulation was put into effect in the first place to protect consumers; and when you totally deregulate, sometimes you don't serve consumers but you rather do a disservice to consumers. And what we want, of course, are concrete pieces of information either on why deregulation is working well or on where it's not working quite so well. And while very few, if any, advocate going back to the old type of total regulation we had, there might be some steps back that could serve the Nation better than the total deregulation that we find has resulted in decreased service at higher cost for many citizens.

AIRLINE FARESETTING PROCESS

At the end of the last congressional session, I introduced legislation to bring about some stability to the airline faresetting process. I would also favor some solution to what I feel are discriminatory fares for citizens in markets other than the biggest cities. We find, for instance, that under the old CAB regulations, airline fares were relatively stable on a cost per mile of travel. Now we find that if you happen to live in a favored city and you want to fly to another favored city, you can fly for about one-fourth of what it costs to fly for a mile in most other markets. While 25 percent of Americans are getting really favorable rates, 75 percent are paying through the nose to, in effect, cross-subsidize those others. One of our colleagues who lives in St. Louis, Mo., will buy a ticket from Washington to San Francisco, fly to St. Louis, get off the plane, throw the rest of his ticket away and save money. That is a ridiculous way for a nationwide transportation system to work. I encourage our witnesses today to make observations on such proposals and suggestions on ways to improve the aviation system.

Mississippi has a fine and resourceful aviation community. We are hopeful to hear your success stories as well as any problems that you feel face your region.

INTRODUCTION OF SENATOR COCHRAN

Senator Stennis has indicated his deep interest in this hearing today, but, of course, he is unable to join us as he is recuperating at his daughter's home. So we turn now to Senator Cochran for his opening remarks.

STATEMENT OF HON. THAD COCHRAN, U.S. SENATOR FROM MISSISSIPPI

Senator COCHRAN. Thank you, Mr. Chairman. First, let me express my appreciation personally for your being here to chair this hearing today, and on behalf of those in Mississippi who are interested in improved air service for our State and better access to funding for airport maintenance, improvement, and further development. I also thank you because having this hearing in Mississippi I think is going to focus the attention of the Government officials who are involved on a daily basis in administering programs that would help make possible these goals that we all have. This is an important thing for us to be doing. In our State we are convinced that an effective and efficient air transportation system is an essential ingredient to our future economic development. This is going to mean more and better jobs for our citizens if we can be successful in improving our airport development program and our access to reliable and affordable air transportation services.

I think this hearing is important and I am certainly happy that you responded so generously to my request that these hearings be held and scheduled them promptly and are here to personally chair the hearing.

Mark Andrews is one of the outstanding Senators in Washington. As he pointed out to you, he served for a pretty good while, a long time to me, in the House of Representatives. I was one of the newer Members of the House when Mark had already become an established power and figure in the House of Representatives, and it's sort of an odd feeling to be over in the Senate and be ahead of him in seniority. It's almost embarrassing. I want to apologize——

Senator ANDREWS. Don't let it embarrass you too much.

Senator COCHRAN. I want to apologize from time to time for that, but nonetheless, it's a pleasure to work closely with Senator Andrews on the Appropriations Committee. He serves on the Agriculture Subcommittee that I chair and I serve on the Transportation Subcommittee that he chairs. We both serve on the Defense Appropriations Subcommittee and the Interior Appropriations Subcommittee, so we see a lot of each other.

NUMBER OF PROBLEM AREAS

Let me say, too, that I think we are going to be looking into three or four problem areas today. Reading over some of the statements that have been prepared in advance of the hearing, it seems that most of the concerns will be relating to the effects of deregulation. First of all, on access to service at our smaller hub airports and even here at our largest one in Jackson, the cost of service that has, in effect, increased in our State because of deregulation. How do we deal with that and what should we try to do about it?

CHANGE IN FLIGHT SERVICE STATIONS

Another problem that has been discussed with me by many of our pilots around the state is the proposed change by the FAA in the flight service stations. We have four in our state right now and the proposal is to consolidate all of them into a new automated station. We are anxious to learn more about that. I think we need to learn more about that and today is an opportunity for us to better understand the proposal. We have over 5,000 pilots in the state of Mississippi so this is an important issue and it affects a lot of people.

CONTROL TOWER CLOSINGS

There has also been some concern, and this will be touched on today, too, about the closing of air traffic control towers. One here in Jackson was closed; one in Greenville has been closed. I am happy to be able to announce today that the FAA has agreed to reopen the tower at Greenville. We already had approval for reopening of the tower at Hawkins. Several months ago Congressman Webb Franklin and I were invited to meet with officials in the Greenville area. We met with them there at the Greenville Airport; community leaders and persons who were interested in economic development in that area, and we were urged very strongly by these local citizens and officials to try to help get that tower reopened. I am happy today to be able to announce that we have been given the word—as a matter of fact, my office received a call on Friday and we promised everybody we would keep it a secret until today. But now we can say that FAA is going to reopen that tower and it will be manned, or personed, peopled by Federal employees in the Greenville area.

FAA TO PROVIDE GRANT

I also want to say that the FAA will provide the Mississippi Aeronautics Commission a grant of $59,850 to acquire pavement friction testing equipment. This is portable equipment which the commission will be able to use to test friction on runways of Mississippi airports. The commission has filed an application for the grant to acquire this equipment. So I am happy that this is an opportunity for me to be able to make these two announcements today of some good news that we have from the FAA.

I also want to thank the FAA officials and others who are here from around Mississippi. We invited a lot of persons we knew would be interested in airport development and air service. We have a good list of witnesses and so I think I will stop now and let us have an opportunity to hear from the witnesses. Mr. Chairman, thank you very much, again, for being here.

Senator ANDREWS. Thank you, Senator. It was good to hear those remarks. Let me also point out that the reopening of that tower and the friction testing equipment didn't just happen. You made the case and the people from Mississippi, of course, backed that up, and it's a tribute to you and your ability to convince FAA. They are not just passing these things around. It is also a tribute to the State of Mississippi, which has the confidence to be able to use that friction testing equipment and give us some badly needed answers to stopping incidents. As a result of Senator Cochran's initiative right here in Mississippi it can make a whale of a difference in airline safety all around this country.

NONDEPARTMENTAL WITNESSES

SUBCOMMITTEE PROCEDURE

Senator ANDREWS. We will proceed to the witnesses. The first witness is going to be Kenneth Barfield, the director of the Mississippi Aeronautics Commission.

Mr. Barfield, if you will, take a seat at the witness table. Let me clue you in. Some of you may not have testified at a Senate hearing before. This is an official Senate Appropriations Committee hearing. We have our court reporter. You have your statements, many of them ready. Let me assure you that if you want to summarize your statement, the statement will appear in the permanent record magically as though written and read word for word. So you haven't lost a thing from establishing the permanent record. What we are out for, of course, is to get as sound and as thorough a record as we can. If you wish to summarize your statement, there is more time for questions. Then the full statements, questions and answers, make a definitive record, and might I offer that suggestion.

Mr. Director, it's a privilege to have you here and we are looking forward to hearing what you have to say about the unique problems facing aviation in Mississippi.

STATEMENT OF KENNETH A. BARFIELD, DIRECTOR, MISSISSIPPI AERONAUTICS COMMISSION

Mr. BARFIELD. Thank you, Senator Andrews, and thank you, Mr. Cochran.

As you know I am the director of an agency of the State of Mississippi which has the responsibility to foster the development of aeronautics in our State. We appreciate your coming to Mississippi and affording us the opportunity to express our views on issues affecting aviation in our State and the Nation. Some of the current issues affecting us and many other States are, as Senator Cochran has previously related, the Federal-funded airport system; the federally funded airport improvement program and its program criteria and funding levels; the closure of the air traffic control towers and I am really pleased to hear the Greenville tower will be reopened; the closure of our four flight service stations; the delays in providing the instrument approach equipment to all commercial service airports; and, last but not least, the effects of airline deregulation.

I will make a brief comment on each of these concerns and others to follow me will be more precise in their comments to you.

On the matter of airline deregulation, we have 10 aircarrier airports in the State of Mississippi. Three of these are primary airports, four are commerical service airports, and three are commuter airports. All 10 have been essential air service points and the CAB has established the central need of each. Only the three commuter airports now receive subsidized service.

In Mississippi, since deregulation was passed by Congress in November 1978, we have not fared well. First, Delta Airlines, which was providing DC-9 service to Dallas and Atlanta pulled out of Meridian. Second, Delta terminated service between Jackson and New Orleans. Third, Republic pulled out of Jackson reducing Atlanta and Memphis service. Fourth, Republic filed to exit from Greenwood and University-Oxford. Republic was replaced by Jamaire, a small commuter from Arkansas which provided round-trip service only to Memphis with a six place Cessna 406.

Jamaire was sold and then became Sunbelt. Sunbelt purchased an Embraer Bandeirantes, an 18-passenger aircraft, and decided that they could no longer economically afford to serve Greenwood and University-Oxford and filed to leave. They were replaced by Royale, which after only 9 months of servicing to these two locations, have filed to exit. There have been other instances such as Frontier Airlines starting and stopping service between Jackson and Denver, and then, of course, along came the Continental situation.

The airline deregulation has not lived up to expectations nor has it strengthened the airline industry. The free market conditions required to bring the anticipated benefits do not exist due to the restricted access to hub airports, high interest rates, high equipment costs, and, in some cases, lack of the appropriate equipment and insufficient market growth. Air fares have risen faster than the consumer price index. Fare wars abound. Small- and medium-sized cities are being priced out of the system while seats are being given away in the larger markets and the majority of the airlines are in weak financial condition. Actions should be taken to discourage unfair competition and the Federal Government should exercise some supervision over this public service industry.

Now, getting to the delays of installation of the precision instrument approach equipment at all commercial service airports, as you are well aware, the FAA has terminated the installation of instrument landing systems and has now gone to implementing the microwave landing system. For this new system, the microwave system, their planning schedule has been stretched out over a long period of time and it is much too slow getting into effect. It's created a lot of dissatisfaction and apprehension in the general aviation public about the cost of what it's going to be to them to equip their aircraft. In some areas of the country like Mississippi, the MLS installations are not scheduled until 1995 and after. The program is just stretched out too long.

Next comes the temporary closure of the air traffic control towers. I don't think I am going to say too much more about that. Once you get what you want, you keep your mouth shut. But I am very pleased that this has happened because now we can get some actual data from that tower and there won't be any question about whether or not we need the Greenville Airport tower.

The closure of flight service stations: Many of our pilots and flight service station community officials are concerned with the prospects of losing the existing flight service stations. Currently we have four of these service stations, as Senator Cochran has stated, but these four will be combined into one large automated flight station under the proposed FAA program. Many of us who are involved in aviation on a daily basis are familiar with the FAA plan and recognize the benefits and improvements the plan offers. However, the vast majority of general aviation pilots have not been afforded the opportunity to review the plan and, as a result, has caused Congress to view the program with suspicion.

Now I come to the subject that I want to harp on a little harder. That's the AIP program, and specifically the program criteria being used by the FAA. The AIP program provides 90-percent Federal funding for the airport development and improvement projects. The program criteria used by the FAA, referred to as airport improvement program priority system, virtually eliminates airports with less than 20 based aircraft from this program.

The State of Mississippi has 77 publicly owned public use airports. Only 28 of these airports have 20 or more based aircraft. We find this criteria to be discriminatory to the agricultural, low-density population States. Under the present system, the big get bigger and the small community airports are deteriorating and in many cases are becoming unsafe for use. During fiscal years 1982 and 1983, we received in the State of Mississippi $11.7 million for 20 of our airport communities. Of these, 8 were aircarrier locations, 12 were general aviation airports, 11 of which had 20 or more based aircraft. Louisville, the exception to this, had 13 based aircraft. Now, the reason Louisville was programed, during the 1979 and 1983 floods, land slides at the airport caused the loss of about 300 or 400 feet of runway, thus we got some emergency funding from the jobs bill.

We currently have on file with the FAA requests for approximately $16 million, of which 35 percent, or $5.6 million, is for 18 small communities with less than 20 based aircraft. These projects have a priority rating from 9Z to 12Z. In the last 2 years of this program the funds appropriated and then allocated to our district have been sufficient only to meet the priority level of six or less with some minor exceptions. It's easy to see with backlogged requests in excess of 10 million, these 18 small communities don't stand much of a chance being funded under the current Federal program.

The State airport system plan, updated last year in connection with the Mississippi intermodal transportation plan, indicates the need for 76 general aviation airports and 11 aircarrier airports. We currently have 10 aircarrier airports and 68 general aviation airports. To meet the future aviation facilities requirement, we will be required to make nine new airports and replace facilities at six of the existing airports. These

15 airports are estimated to cost approximately $40 million. In addition to these airports, improvements at existing airports will also be required. The State of Mississippi's airport funding needs over the next 17 years is estimated to be approximately $178 million, over $10 million a year.

Included in the backlog of requests on file with the FAA are requests from two of the replacement airport communities. One of the communities, Pascagoula, Jackson County, with 68 based aircraft, has received two small grants; but the other, Yazoo City, 19 based aircraft, has not been given a priority that can be reached within the limits of the funds allocated our district. A new community airport for a location with less than 20 based aircraft has a priority of 12Z, more than 20 has a 7Y. Under the present AIP funding levels and priority system, it's very difficult or impossible to develop a new airport.

There are other locations, such as Belzoni and Lexington, where the continued project delay may result in airport closure due to unsafe conditions. Under the AIP program, the funds appropriated by Congress are appropriated as follows: 50 percent goes to the primary airports, 13.5 percent is used by the secretary's discretionary fund; 12 percent—and I emphasize 12 percent—is apportioned to the State for airports other than the primary system; 10 percent for reliever airports; 8 percent for noise abatement; and 5.5 percent for commercial service airports.

Mr. Chairman, we recognize the requirement for a priority system in a funding program when the needs exceed the available funds. It's our contention, however, that the priority system should be used to allocate the discretionary funds and not the State apportionment. The State apportionment should be allocated within the State based on the particular State's needs. New airports should also be given a high priority. We also request, and we plead, that the annual appropriations equal the authorizations as contained in the Airways and Airport Improvement Act of 1982. Thank you.

Senator ANDREWS. Thank you very much, Mr. Director. I appreciate that testimony. You told of the service being pulled out of certain communities. Certain airlines, Republic and Delta and others, have pulled out of serving communities in Mississippi. Could you give the committee the benefit of your knowledge on the direction that fares have taken in Mississippi since deregulation? If a person wants to travel to Chicago or travel to New York or travel to Columbus, Ohio, from Mississippi or San Francisco or Denver or wherever, are those fares moderating under deregulation or have they climbed?

Mr. BARFIELD. Well, let me give you an example, Mr. Chairman, of a situation. I had to attend a meeting. It's a LASAC (phonetic) committee up in Minneapolis. It's a group of States which had banded together trying to do something about the airline service to small communities. I got on the carrier here in Jackson and flew to Memphis, changed at Memphis, went into St. Louis, St. Louis on into Minneapolis. I was, it so happened, sitting close to two other people going into Minneapolis and one originated his flight in Fort Lauderdale, Fla.; the other originated his flight in New Orleans. We compared fares and the fare that the man paid out of Florida was $200-plus into Minneapolis—this is a round-trip fare—out of New Orleans, $300-plus; but out of Jackson, Miss., $500 round trip. These are the type situations we are seeing. Of course, we also see that—and some of our people will also tell you this. It will follow today about the prices in the small communities. Where we are seeing competition, say, Jackson, we have good fares out of Jackson to the west. The fares back to the east are not there.

Senator ANDREWS. In other words, for you to go to Minneapolis costs you twice as much as it cost your friend from Florida who was traveling twice as far?

Mr. BARFIELD. That's exactly right.

Senator ANDREWS. And that kind of a fare structure flies in the face of all thoughts of a nationwide equitable transportation system. So really we have taken a couple of steps backward.

It seems as though, Thad, you have the same problem in Mississippi we have in North Dakota. That's what I kind of suspected. That's one of the reasons I am glad to be down here. This isn't all out of the goodness of my heart for Mississippi. I haven't got two better friends than Thad Cochran and John Stennis, but this record is going to help us a whale of a lot in North Dakota because it has gotten to the point where it costs us more to fly to Minneapolis than it costs to fly from Minneapolis to New York City, and that's stupid. The airlines will tell you that it costs about 10 percent more a mile to fly a short route segment than to fly a long segment. So be it. Then maybe we ought to have some type of specification in the law that no airline, then, can charge more than 30 percent per mile higher on a short route segment than it charges for its longer route segment in whatever class of fare it is. That would be fare equity and that would mean that the Jackson, Miss., and the Fargo, N. Dak., people wouldn't be paying to subsidize those people who wanted to fly from Miami to Chicago, and that's the way I think probably we ought to be looking. It's always great when a Senator can come into an area and find the good people in that area that totally support his, shall we say, biases and prejudices.

Let me run one other question by you that has to do with Mississippi. Are you aware of any capacity problems for Mississippi carriers since the air traffic control system is largely now back to full capacity?

Mr. BARFIELD. No, sir.

Senator ANDREWS. You are not having any problems with slots or anything like that anymore?

Mr. BARFIELD. I don't think we are as far as Mississippi is concerned. Now, whether we are having trouble with slots, say, in the National Airport and those places——

Senator ANDREWS. Well, that's a problem unto itself. Washington National, well, I think, stands as a monument to problems in airport management for the next decade.

Senator Cochran.

Senator COCHRAN. Thank you, Mr. Chairman.

I was interested in your testimony on the airport improvement program about how the priority that has been established by FAA for funding small airport projects pretty well excludes some of our smaller communities in Mississippi. You mentioned the projects at Pascagoula and Yazoo City where they want to have a new airport at both of those communities; is that right?

Mr. BARFIELD. Yes.

Senator COCHRAN. And how the current priority, unless it's changed by FAA, is going to mean that that's just not going to be possible. What impact does an airport in a community have on economic opportunity? In your job as director, is there a correlation between access to air service and development of jobs in that community?

Mr. BARFIELD. Senator Cochran, there certainly is. Of course, years ago we had a study made over at Forest, Miss., concerning the development of Forest Airport and it was about bringing in an industry which happened to be Sunbeam at the time. And we went in and spent a little time just to see what this industry meant to that community. And without the airport, that industry would not have located at Forest. This is the situation with all of our small communities. As you are well aware, we don't have a great deal of public transportation in the State and the airplane is a big factor in our transportation. I think maybe there are only two States where it plays a bigger factor, Texas and California. However, without an airport of some type, industry today will not look at a community. They have to move their executives in and out of those communities and the time it takes to go from that small community into an air carrier airport, they just don't want to take. Their time is money.

Senator COCHRAN. I have been given a copy of a statement of Tom Gillies, the airport administrator and director of the Yazoo County Port Commission which operates the Yazoo City Airport, and I am going to ask that this be put into the record along with testimony that will be given by others here about situations in local communities. But in that statement which I read last night, he talks about the fact that they cannot expand or lengthen the runway in Yazoo City because of the way the town has developed northward. And as you know, that community is located primarily in the hills and you are restricted in where you can put the airport. So they are proposing to put a new airport across the Yazoo River, but because they don't have but 19 planes based there, as you point out, they fall into a different category of funding and it looks like it's a hopeless situation for them. I hope we can see some flexibility in the process. There is discretionary money, though. Isn't there a fund out of which projects like this can be funded?

Mr. BARFIELD. Yes, sir. The situation that you have is, of course, none of the airport development programs—the discretionary funding source of the program makes the programs work. In other words, you have *x* number of dollars which are allocated in different ways and the

Secretary has the option of taking those moneys and putting them into what she considers high-priority projects. However, as I said in my testimony, if we were given some leeway within each State to use that State apportionment—although not that great, the State apportionment for the State of Mississippi, I think, this year is something like $1.1 million—this would give us the latitude, though, to go in and start development in these communities. Once they are started we wouldn't program more money than they could spend in 1 year in any particular location. Then they could add to that State apportionment with the discretionary funds and get these programs completed, get these projects completed.

Senator COCHRAN. There was one other point you made and it related to the flight service stations. Right now we have flight service stations at McComb, Greenwood, Meridian, and Jackson, and the proposal is to have an automated or modern state of the art system but operating out of one location and to close those four facilities. I have a letter here, incidentally, from Billy Simmons who operates the airport down at Natchez, and he makes an interesting point that's consistent with what I think you suggested in your testimony and I just wanted to read this. He says:

> At first I was firmly against the closing of the flight service stations, but I attended the meeting held by the FAA in Jackson and I am seeing the other side of the coin. I like the idea of being able to get up-to-the-minute weather at many more stations than we are now—than we now have reporting. I also think that the central station will fulfill the need of those requiring the filing of flight plans and more detailed weather information.

The only fly in the ointnent, he says, that I can see is to close the flight service stations before the automatic weather observation system is ready for operation. He said this would be a definite no no. Is this pretty well consistent with what you are saying to us?

Mr. BARFIELD. Yes.

Senator COCHRAN. But we need to educate pilots and the general aviation community about how that system is going to work?

Mr. BARFIELD. That's true. What's happened, though, Senator Cochran, is that we have been talking to ourselves. The FAA and the State have been talking to each other about this thing and I think the State and some of our very active airport management people are talking about it, too. Of course, we only have about 10 or 12 truly professional airport managers in the State with the number of airports we do have. As we see it, it's going to be very advantageous to us to go into this program. You are going to have more reporting stations, automatic reporting stations in the areas where now we are going into bad weather. We can't see the bad weather when we get there with just four stations. So I see a great deal of advantage and we have got to make it known to the general public, the general aviation people, just what it is the FAA is proposing.

Senator COCHRAN. Because most of the letters I get have been very definitely in opposition to the proposal from the general aviation community.

Mr. BARFIELD. Well, I think that's simply because they don't know the benefits that are there.

Senator COCHRAN. OK. There is one other thing I wanted to mention. It is the fact that our service has deteriorated since deregulation. Senator Andrews was talking about the fare structure and the equity that needs to be built into the system. Of course, now, he has introduced legislation to provide some restraints on the airlines in the setting of fares. Would you recommend that I support that or are you familiar enough with it to know whether or not that's something I ought to support?

Mr. BARFIELD. Senator Cochran, I would rather wait and let Gene Smith or some of those people address it. I am fairly familiar with it, though.

Senator COCHRAN. What about the definition of essential air service? Is there a problem with that or should that definition be changed to provide better and more reliable air service into these communities in our State?

Mr. BARFIELD. Well, the definition of essential air service, it desires a little bit. In other words, they are talking about two round trips into a community to a particular hub. I don't think you necessarily need two round trips. I think if you would get the proper schedule into the proper hubs you could probably do with one round trip a day. And so I don't know how to define it. I think it ought to be more defined by that community's specific needs. The problem we are having with our small communities receiving a subsidy under the 419 program is that sometimes, I think the carriers are using the subsidized points to help them cover their losses in trying to establish some of these unsubsidized points. And then they give the subsidized points what's left over. OK. This plane is left here and we can only fly you from Oxford to Jackson. at 11 o'clock midday. Well, people don't want to come from Oxford at 11 o'clock midday. They want to be down here for a meeting at 9 o'clock. And I think that has hurt us a great deal. For that reason we have gone to CAB and requested an experimental program at University-Oxford in Greenwood and ask them to give us what we ask for and, if it doesn't get up to a certain level, then the FAA can take its subsidy and we don't want it anymore. We will say we are not a subsidized point.

Senator COCHRAN. We just have three areas that are receiving subsidy now, don't we?

Mr. BARFIELD. That's correct.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator ANDREWS. Thank you, Senator Cochran. You mentioned the reaction of current systems users to the new automation of the FAA ground control system. What outreach efforts has the FAA conducted to explain the expected improvements to putting these four stations and melding them into one?

Mr. BARFIELD. We got with Mr. Jonathan Howe of the southern region and we scheduled a meeting here in Jackson. I can't remember the time. I believe it was back in August. And we sent out messages and announcements to all airports in the State telling them we were having this meeting in Jackson in order to have the plan explained. Well, we had a big auditorium, big enough to hold 400 or 500 people, and it turned out we had about 15 people and 5 or 6 of those were airport managers who knew all about it and the rest of them were FAA people. So I think we had, maybe, four or five people from the industry.

Senator ANDREWS. But you think the FAA has done an adequate job of having the information available so the aircraft operators can get that information if they want to?

Mr. BARFIELD. Well, yes and no. I think the information is available if a guy will go after it, but some of our people, Senator, you have to push it on them to get them to take it. So I think both the FAA and me, as director of aeronautics, have been very remiss in getting out this information to the general aviation public.

Senator ANDREWS. But you feel comfortable in the information the FAA has given you so that you can pass that information on to the general flying public?

Mr. BARFIELD. Yes, sir, if I had the resources to.

Senator ANDREWS. OK. But the point is we are not supposed to jump all over the FAA for not doing an adequate job of explaining to the authorities in Mississippi?

Mr. BARFIELD. No, sir.

Senator ANDREWS. Senator Cochran earlier announced the friction equipment that was going to be put into Mississippi for research in the extremely important area of the traction on runways, particularly at landing. Where are you going to utilize these devices in Mississippi? Have you got that plan worked out?

Mr. BARFIELD. Yes, sir. Senator Andrews, what we had proposed earlier when this equipment was made eligible under the FAA program involved going to our 10 aircarrier airports and suggesting to them that we do it as a joint effort since no single airport could afford the equipment. The aeronautic commission would have driver training and operator training for the equipment and we would do it on the basis of requirement. In other words, I think we would have to do Jackson much more often than, say, Natchez or University-Oxford. But we intend to make these tests as needed at these 10 air——

Senator ANDREWS. So you are going to do the tests at the Jackson Airport largely under different climatic conditions, but you are also going to use it at other airports because their runways may be just a little different and you will get test results there as well?

Mr. BARFIELD. I think probably more on activity than anything else. Because of high activity, you tend to get more rubber buildups on these runways. So we will test those runways more than we will the low-activity ones.

Senator ANDREWS. You also mentioned the State formula apportionment. Once that apportionment is calculated, who determines which airports receive the funds, the FAA headquarters, the region, or the State?

Mr. BARFIELD. I guess right now particularly—we have a real good district office here and we work very closely with them, but we talk about where it should go between us based on their criteria.

Senator ANDREWS. So you feel that the State has an adequate input into that apportionment?

Mr. BARFIELD. Well, I do, using that criteria, yes.

Senator ANDREWS. Yes.

Mr. BARFIELD. But my contention is they ought not to use—they shouldn't use the FAA criteria on the money which has been apportioned to the State. The State should have a freer rein to, say, give dollars to Belzoni, somewhere we know we have a runway that's going to be torn up by next summer if we don't do something about it. However, it only has 5 aircraft so it won't carry the priority that a 20-based aircraft would. But to me it's just as important to that community as one with 20 based aircraft. By the way, we have 20 airplanes now at Yazoo City.

Senator ANDREWS. You don't fly those planes from airport to airport, do you? Like I say, I know a few Mississippians.

One final question, and you brought this up when you talked about the commuters who had come in and then left. What role, if any, should the FAA or the Department play with regard to determining commuter carrier financial fitness? In other words, what recommendations would you have from your State of Mississippi perspective on any FAA future role for commuter fitness determination? It must be terribly discouraging to bring a commuter in, have them operate for 2 or 3 months, then have them go belly up. The community has made a whale of a contribution—the people, the travel agents, the business people, and the rest have adjusted their schedules and then all of a sudden they disappear. Should we have some type of criteria so we do know what type of financial backing they have, how permanent they are going to be when they move in?

Mr. BARFIELD. Yes, sir. When you started your question I started a thinking process. You said the FAA and, of course, I was thinking CAB and I assume that you are thinking in terms of when this type thing is transferred to FAA?

Senator ANDREWS. Whichever.

Mr. BARFIELD. Let me explain a concern I had there, Senator Andrews. I am very concerned with the sunset of CAB. You have some very dedicated people with the Civil Aeronautics Board. Of course, I agree a lot of those people have fled that agency but you still have a few in there who are very dedicated and are doing a great job; but we are very concerned that the FAA or the Department of Transportation is not looking at this situation as far as absorbing those duties when CAB sunsets. For instance, I don't think they are concerned with the 419 program as much as they should be. There is a certain amount of expertise that must exist within that agency to determine just what you said, the fitness, willingness, and ability of a commuter airline including whether or not they are financially fit to start the carrier operation. I am very concerned that not enough thought has been given to taking this part of the CAB's actions or their departments in. And I definitely think that the communities and the State should have some input into the determination of fit, willing, and able.

Senator ANDREWS. Thank you very much, Mr. Barfield.

Senator Cochran.

Senator COCHRAN. I have no further questions. Mr. Chairman, I would like to express my appreciation to Ken Barfield for helping us in our preparation for this hearing today. He has been very, very helpful and has gone out of his way to make sure it was planned appropriately and he has been a big help to the staff and I thank you for that.

Senator ANDREWS. He is an extremely great individual. As a matter of fact, if you could stand those tough winters we would love to have you up north.

Mr. BARFIELD. If we run out of money I may be looking for a job.

[The statement follows:]

STATEMENT OF KENNETH A. BARFIELD

I am Kenneth A. Barfield, Director of the Mississippi Aeronautics Commission, an Agency of the State of Mississippi, which has the responsibility to foster the development of Aeronautics in our State. We appreciate your coming to Mississippi and affording us the opportunity to express our views on issues affecting aviation and airport development in Mississippi and our nation. Some of the current issues affecting us and many other states are: The federal funded Airways and Airport Improvement Program (AIP), program criteria and funding levels; the closure of Air Traffic Control Towers and Flight Service Stations; delays in providing instrument approach equipment at all commercial service airports; and, last but not least, the effects of airline deregulation.

I will make a brief general comment on each of these concerns and others to follow me will be more precise in their comments to you.

AIRLINE DEREGULATION:

Mississippi has ten (10) aircarrier airports. Three (3) are primary aircarrier airport; four (4) are commercial service airports, and three (3) are commuter airports. All ten (10) have been Essential Air Service Airports and the CAB has established the EAS needs of each. Only the three commuter airports now receive subsidized service.

In Mississippi, since deregulation was passed by Congress in November, 1978 we have not fared well. First, Delta Airlines who was providing DC-9 service to Dallas and Atlanta pulled out of Meridian. Second, Delta terminated service between Jackson and

New Orleans. Third, Republic pulled out of Jackson reducing Atlanta and Memphis service. Fourth Republic filed to exit Greenwood and University-Oxford. Republic was replaced by Jamaire, a small commuter from Arkansas who provided round trip service only to Memphis with a 6 place Cessna 406.

Jamaire was sold and became Sunbelt. Sunbelt purchased Embraer Bandeirantes, an 18 passenger aircraft, and decided that they could no longer economically afford to serve Greenwood and University-Oxford and filed to leave. They were replaced by Royale who after 9 months has now filed to exit these two communities. There have been other instances such as Frontier starting and stopping service between Jackson and Denver, and then the Continental situation.

The Airline Deregulation Act has not lived up to expectations nor has it strengthened the airline industry. The free market conditions required to bring the anticipated benefits do not exist due to restricted access to hub airports, high interest rates, high equipment costs, in some cases lack of appropriate equipment and insufficient market growth. Air fares have risen faster than the consumer price index. Fare wars are abound. Small and medium sized cities are being priced out of the system while seats are being "given away" in larger markets and a majority of the airlines are in weak financial conditions. Action should be taken to discourage unfair competition and the federal government should exercise some supervision over this public service industry.

DELAYS IN INSTALLING PRECISION INSTRUMENT APPROACH EQUIPMENT AT ALL COMMERCIAL SERVICE AIRPORT:

The FAA has terminated the installation of ILS's Systems and is implementing a MLS Program utilizing the internationally accepted ICAO standards. The schedule for implementation of this program is too long, resulting in some areas of the Country, like Mississippi, not receiving MLS until 1995 and after.

The Temporary Closure of Air Traffic Control Towers:

When the air traffic controllers struck in August, 1978 many of the low density air traffic control towers were closed to provide controller for the higher density airports and airspace. In Mississippi, control towers at Jackson, Hawkins Field and Greenville Municipal Airports were temporarily closed in September, 1978. The Hawkins Field Tower was reopened October 17, 1983.

In a recent FAA report given to the Senate Transportation Subcommittee, the Greenville Control Tower is targeted for decommissioning in 1986. This location was re-evaluated recently by FAA, Southern Region Staff using the new FAA Control Tower establishment and discontinuance criteria and qualified for continuance, but marginal. Using the FAA master records operations data and aircarrier data collected by the Commission, I computed the establishment ratio sum for the last five years and the average ratio sum was 1.11. (A ratio of 1.0 is needed) More importantly, the last two years showed an increase over the first three years. It is important that the Greenville Air Traffic Control Tower be reopened as soon as possible so the traffic factor can be accurately established prior to the FAA target date (1986) for decommissioning.

Closure of Flight Service Stations:

Many of our pilots and FSS Community Officials are concerned with the prospects of the lose of the existing FSS's. Currently we have four (4) of these service stations in Mississippi which will be combined into one (1) larger automated station under the program proposed by FAA. Many of us who are involved in aviation on daily basis are familiar with the FAA plan and recognize the benefits and improvements the plan offers. However the vast majority of the general aviation pilots have not been afforded the opportunity to review the plan, and as a result have caused Congress to view the program with suspicion.

Now, I've come to the AIP Program and specifically to the program criteria being used by the FAA. The AIP program provides 90% federal funds for airport development and improvement projects. The program criteria used by the FAA, referred to as the "Airport Improvement Program Priority System", virtually eliminates airports with less than twenty (20) based aircraft from this program.

The State of Mississippi has 77 publicly owned, public use airports, only 28 of these airports have twenty (20) or more based aircraft. We find this criteria to be discriminating to the agricultural low density population states. Under the present system the "big get bigger" and the small community airports are deteriorating and in many cases, becoming unsafe for use.

During fiscal years 1982 and 1983 we received 11.7 million dollars for twenty (20) of our airport communities. Eight (8) of these were aircarrier locations and twelve (12) were general aviation airports, eleven (11) of which had twenty (20) or more based aircraft. The exception, Louisville, which has thirteen (13) based aircraft is a project where the 1979 and 1983 floods caused a land slide and we lost part of the runway, thus emergency funds were obtained through the "jobs bill". We currently have on file with the FAA, request for approximately 16 million dollars of which 35% (5.6 million) is for eighteen (18) small communities with less than twenty (20) based aircraft. These projects have a priority rating from 9Z to 18Z. In the last two years of the program the funds appropriated and then allocated to our district has been sufficient only to meet development items with a priority of 6 or less, with some minor exceptions. It's easy to see that with backlogged requests in excess of 10 million these eighteen (18) small Communities don't stand much chance of being funded under the current federal program.

The state airport system plan, updated last year in connection with the Mississippi Intermodal Transportation Plan, indicates a need for seventy six (76) general aviation airports and eleven (11) aircarrier airports. We currently have ten (10) aircarrier airports and sixty eight (68) general aviation airports. To meet the future aviation facility requirement, we will be required to develop nine (9) new airports and replacement facilities for six (6) of the existing airports. These fifteen (15) airports are estimated to cost approximately forty (40) million dollars. In addition to these new airports, improvements at existing airports will also be required. The State of Mississippi's airport funding needs over the next seventeen years is estimated to be approximately 178 million dollars, over ten (10) million a year.

Included in the backlog of requests on file with FAA are requests from two (2) of the replacement airports communities. One of the communities, Pascagoula (Jackson County) with 68 based aircraft has received two small grants, but the other, Yazoo City (19 based aircraft) has not been given a priority that can be reached within the limits of the funds allocated our district. A new Community airport for a location with less than twenty (20) based aircraft has a priority of 12Z, more than twenty (20)

7Y. Under the present AIP funding levels and priority system, it is very difficult to develop a new airport.

There are other locations such as Belzoni and Lexington, where continued project delays may result in airport closure due to unsafe conditions.

Under the AIP program, the funds appropriated by Congress is apportioned as follows:

50% primary airport (those Commercial service airports which enplane in excess of 31,000 annual passengers)

13.5%, used at the discretion of the Secretary

12% apportioned to the State for airports other than primary

10% for reliever airport

8% for noise abatement

5.5% commercial service airprots, (+2,500 passenger annually)

Mr. Chairman, we recognize the requirement for a priority system in a funding program, when the needs exceed the available funds. It is our contention, however, that the priority system should be used to allocate the discretionary funds and not the State apportionment. The State Apportionment should be allocated within the state based on the particular states needs. New airports should be given a higher priority. We also request the annual appropriation equal the authorization as contained in the Airport and Airways Improvement Act of 1982.

STATEMENT OF BILLY MARTIN, MAYOR, LEXINGTON, MISS.

PROBLEMS OF THE SMALL COMMUNITY

Senator ANDREWS. Our next witnesses—and we would like to take them as a pair—are two distinguished mayors from Mississippi, the Honorable Billy Martin, the mayor of Lexington, and the Honorable Ken Dill, the mayor of West Point. If those two mayors would come up we would have them give their testimony separately, of course, and then maybe interface on some of the questions that Senator Cochran and I might have.

Mr. Martin, we would be glad to hear your statement and, again, let me assure you that your total statement will appear, you know, if you have a prepared statement, as if given in its totality.

Mr. MARTIN. Mr. Chairman, Mr. Cochran, I wish that I had the problem in my community of deregulation, because if the smallest, the lowest priority is Z12, I am probably a Z20 in the rural area which I represent. I do appreciate the opportunity to come before this subcommittee today to give you some thoughts of a small community mayor's problems and to ask for your consideration in striving in the Congress in your appropriations to set aside funds for small communities that have no chance of receiving funds in the priority system. I represent a community of around 4,000 people, a town of about 28,000.

We have attempted over a period of years to attract industry into our community in order to expand our economic base and at this point I am involved in negotiations with three industries. Probably about the third question that these industrial prospects ask me is, Do you have airport facilities? Last Friday in Dallas we consummated a deal with one of these industries and will be making an announcement within the next 2 days. They asked me when they could fly into Lexington.

A number of years ago the FAA saw fit to award our community a grant to construct our airport. We are at the point now where we need some funds to resurface our runway due to the aging process and, of course, usage. Being in the priority system as we are, we have great difficulty in finding these funds or securing them. Mr. Barfield has been more than helpful to us in striving to secure these funds. My thought process, of course, is if the Federal Government is willing to invest these funds in our community, surely there should be some flexibility in the rules allowing them to maintain their investment in a top-priority condition. As you are well aware, our tax base is not such that we ourselves can totally support the continuous maintenance of this expensive facility.

I have often wondered in some of the areas of appropriations in the Congress if there could not be set-aside—and I think Mr. Barfield has addressed this to some degree—whereby communities under a certain population number would have a chance to compete among themselves for these funds. This was done in several other Federal programs and I think this was very successful. There is no way we can compete, as we say, with the big boys. The industrial development is a key factor, as I have already touched upon; but I feel that for small communities the only avenue of progress is to be able to have these airport facilities whereby industrial prospects can come in and whereby, when you do locate a plant, that the executives of that corporation can move in and out of our rural State.

I do again appreciate the opportunity to make these brief comments to you, and again I ask for your consideration to make some funds available for the smallest of airports and the smallest of communities. Thank you very much.

Senator ANDREWS. Thank you very much, Mr. Mayor. We will next hear from Mayor Kenneth Dill from West Point.

STATEMENT OF KENNETH D. DILL, MAYOR, WEST POINT, MISS.

SMALLER GENERAL AVIATION AIRPORTS

Mr. DILL. On behalf of the citizens of the State of Mississippi, Mr. Chairman, we would like to welcome you to our State and welcome Thad back home and thank you too for the opportunity of holding this hearing today on the Senate Subcommittee on Transportation to allow us local officials who might not make it to Washington to have an opportunity to have some input into the airport funding process. I, too, am a mayor of a small town in Mississippi, which Mississippi is made up of primarily municipalities of less than 10,000 population, which I am sure North Dakota is of the same category. And today I would like to make my comments in this particular area, the smaller general aviation airports, which include 49 of the 77 existing public airports in the State.

It has been pointed out here earlier that most of the airport development has been made available by the AIP program primarily to larger airports such as Jackson and Gulfport and the Golden Triangle Regional Airport. We certainly support these airports. They fulfill a great need and provide a great service, an essential service, to our State and we do actively support their continued funding.

However, many of the small general aviation airports throughout the State have great needs too, and in many instances they are just as important as the larger carrier, aircarrier airports. And we, as city and county officials, are aware of the needs of the smaller airports and the impact that airports have for the development of our local community.

Recent studies indicate that high tech, or modern technology, in air transportation is very important to the continuing economic development and future economic development of our State. So in addition to having to pick up garbage, chase dogs, and other things, we have to know a little bit about airports and try to solve those problems and it's difficult under the present circumstances. In West Point, for instance, we are a community of less than 10,000 population. Our local airport is an integral part of the day-to-day activities of a number of our industries which employ a lot of our citizens—in a community of less than 10,000 we have almost 4,000 jobs in manufacturing which is unusual. An expansion of our airport is absolutely essential to provide for the growing general aviation needs of these industries and for the economic stability of the entire community.

Although West Point currently has an application for funding on file with the FAA, the priority system used precludes any, probably precludes any Federal funding in the forseeable future. And the problem this gives us, Senator, is a lot of the industries that we have are not based in Mississippi. Their home offices are based out of State, in Chicago and other areas, and when they, say, budget for an airplane, they budget but they can't make a commitment to us that they are going to have that Citation jet or whatever within the next 12 months. It's when their board allows them to make that purchase. So dealing with long-range planning on a small airport is difficult for us because usually their funding for the airplane has been provided before we can really make application for expansion of our airport, like lengthening of the runways and so forth. So the time element gives us difficulty being that we don't, we can't be specialized airport people. We have limited staff and industry comes to us and then expects, as Mayor Martin has pointed out, that we wave that magic wand and expand the airport on short notice. And that's impossible with the limited funds available to the State.

I guess my point is that we need to reassess both the level of funding for the smaller airports as well as the method of establishing existing priorities for funding. Certainly in any federally funded program there will always be more requests than there are funds. In this case the level of funding is inadequate for the needs of the larger airports in the State and several of the criteria used by the FAA exclude the smaller communities. In regard to the funding, there are currently 52 applications on file with the FAA. It may be more than that now in the State of Mississippi for the fiscal year 1984 totaling $7.5 million. And of this number, only six airports will receive funding, with some more than one-half of the available funds channeled into a single community. So it really doesn't leave much for Billy and myself to compete for and we are way down the list, I might point out.

Second, I think that modifications are needed in the area of selecting the selection criteria. For example, under the existing Federal program you must have those 20 based aircraft. And we have been contemplating moving some of the aircraft that are floating around into our community. We haven't done that yet but I think it is being done and we would like to get in on that process. In the State of Mississippi there are only 28 out of the 77 existing airports which meet this 20-aircraft threshold requirement. So again, it's difficult while we might have only five or six airplanes flying three and four times a day, we might actually have more takeoffs and landings than some of the airports that have 20 based aircraft, primarily because ours are used to bring people in and out for industrial and economic development on a daily basis. Both of these are giving us problems: the level of funding and also this threshold requirement.

We would urge your committee to, first of all, reassess the priority system criteria and keep in mind the needs of the smaller aircraft—excuse me, the smaller airports—and I would support the establishment of a State priority system, particularly for the apportionment funds.

This is the end of my statement and again, as a smaller community person that is very much interested in economic development in the State of Mississippi as a whole, it does burden some of the small mayors and boards of aldermen and supervisors to deal with expanding the airports for current economic development needs. You know, Mississippi, I guess, gained a lot of industrial development through cheap labor and today we are not facing that anymore. We are having to compete with the other States for the modern technology industries and a lot of times we don't have the facilities, again, which are required to attract them and which air transportation rates pretty high.

Senator ANDREWS. Well, Mr. Mayor, you bring out—and that's the reason we have these hearings—you bring out an interesting concept. You talked about the plant that's located in West Point and the aircraft that flies in from the Chicago headquarters or the Memphis headquarters or whatever else. In your mind, would it be more equitable if in this 20-aircraft number we, for instance, would give a credit to an airport like West Point where there was a branch plant that employed, say, at least 50 people, give a credit for an airplane if there was an airplane in that corporation's headquarters that flew in and out of West Point from time to time?

Mr. DILL. We have established through letters of the industries that do use our airport but, you know, these are not based there.

Senator ANDREWS. No, I am talking exactly that. The plane obviously—if you have a company that's based outside of the State yet it has a plant in West Point and it employs at least 50 people in that plant in West Point, if it has a corporate aircraft that makes frequent calls at its various subsidiary plants shouldn't, as an indication of commercial use of that particular airport, an assignment of one be given to any company that has a plant in that town that hires at least 50 people that normally flies in from another base?

Mr. DILL. I would support that and I don't know how much——

Senator ANDREWS. That criteria is not around yet that you know of?

Mr. DILL. Well, I do know that we were given an opportunity to let them know we did have industries that do fly in, but we can't claim that.

Senator ANDREWS. No, but in the 20-plane criteria you can't claim that particular plane, yet if you had two or three businesses in your town, and I would imagine, Mayor Martin, that that would hold for Lexington too; wouldn't it?

Mr. MARTIN. Senator, we are even smaller than that, but I would surely support that concept.

Senator ANDREWS. One final question for you as mayors, What jobs impact does an area realize through the airport program?

Mr. MARTIN. Recent studies in high-tech industry—and, of course, everybody is trying to look toward the high-tech field or the modern technology field, have established the importance of air transportation. And what we are dealing with in our community is saving the jobs that we have and we have had particular problems of keeping an aircraft that's based there. And we are really gambling in one case of trying to keep 14 or 15 jobs in our community by telling them that we are going to be able to deliver the goods at some later date. But it is important, you know—certainly the State was built on water transportation first and then rail transportation, and I would have to say that air transportation is certainly important in keeping the jobs and also the thing of attracting jobs into a State which ranks toward the lower, if not the last in per capita income in the United States. So it is important.

Senator ANDREWS. But, Mayor Martin, you pointed out the meeting you went to in Texas, I think you said, and the idea came from that comment of yours that certainly an airport facility, an adequate airport facility in Lexington would enhance the job opportunities in Lexington and might be a specific part of a jobs bill down the pike. You are going to attract employers to Lexington or to West Point or to Valley City, N. Dak., or wherever. An airport is certainly a way of facilitating that and could well be included as criteria in any jobs bill down the line from what I hear you saying.

Mr. DILL. Mr. Chairman, there is no debate in a rural State that air transportation in these smaller communities is, I would say, next to the site location probably in the top three criteria points of attracting an industry today. Three industries that we are in negotiations with and have consummated one, would bring approximately 300 jobs to our community. This, of course, will bring around a payroll of around $3.5 million annually. As I stated earlier, their question, probably next to where are you located is, do you have an airport. It is vitally important and, of course, the maintenance and continuation of the upkeep of these airports is, of course, a great concern to smalltown mayors like myself.

Senator ANDREWS. Thank you very much. Do you have any questions, Senator Cochran?

Senator COCHRAN. Thank you, Mr. Chairman. I want to congratulate both mayors and thank them for being here and helping the subcommittee really get down to what I think is the bottom line of it all. Unless we do everything that we can to make sure that the programs are adequately funded and the criteria are fair and equitable to rural States, we are going to lock these small States into a position of economic inferiority because we are just not going to see the job base expand and we are going to have low per capita income from now on in these small States. That's a pretty sad thing to have to admit. So I think we need to make sure that the program is flexible. I think it was Mayor Dill who talked about the fact that we have to have more flexibility in this program, maybe even if you are suggesting this, a block grant type approach for the apportioned funds for the State—let the State look at the priorities within the State and be the final judge rather than the officials at the Federal level. Maybe that would be something that ought to be considered.

Is that what you are suggesting, basically, that the State may be the better judge of the priorities within the State?

Mr. DILL. Well, personally I would have to depend on Ken and his staff, and the local FAA people are certainly—they certainly have an ear for our problem, but they don't have the funds and, you know, we are—I would have to, not being a specialist in all the needs throughout the State, I would have to defer that to Ken or to Gene who will later make comments. But I do think that the State of Mississippi is behind in economic development and we are falling further behind quicker, and I am not saying that airplane transportation is going to pull us out. Certainly it wouldn't, but it is one of the factors that I think is important for small communities to try to stay abreast of keeping the jobs we have.

Senator COCHRAN. Well, we appreciate very much your being here and the testimony you have given. I compliment you for your statements because I know they will be very helpful to our committee as we review this program and try to determine an adequate level of funding for it for the next fiscal year. Thank you very much for being here.

Senator ANDREWS. Thank you, gentlemen.

[The statement follows:]

STATEMENT OF KENNETH D. DILL

As mayor of the city of West Point, I have, for a number of years, been vitally interested in the accelerated development of aviation in the State of Mississippi. And, I feel very strongly that particular attention should be given the smaller general aviation airports, which include 49 of the 77 existing public airports in the State.

Most of the airport development in the State has been accomplished through the utilization of Federal funds under the airport improvement program (AIP). The main focus of the program has been toward primary airports (commercial service airports enplaning more than 31,000 passengers annually—Jackson, Gulfport, and Golden Triangle). Certainly these airports have great needs and provide essential services to the State, and we actively support their continued funding.

However, many small general aviation airports throughout the State have great needs which, in many instances, are just as important as the aircarrier airports. City and County officials and those persons on the local level are acutely aware of the needs of smaller airports and the secondary impact that their development can have on the local community.

In West Point, for instance, a community of less than 10,000 population, the local airport is an integral part of the day-to-day activities of a number of industries which employ in excess of 3,000 persons. An expansion of our airport is absolutely essential to provide for the growing general aviation needs of these industries and for the economic stability of the entire community. And, although West Point has a current application for funding on file with the FAA, the priority system used precludes any Federal funding in the foreseeable future.

My point, gentlemen, is that there is a need to reassess both the level of funding for smaller airports, as well as the method of establishing priorities for funding. Certainly in any federally funded program, there will always be more requests than there are funds available. However, in this case the level of funding is inadequate for the needs of the larger airports in the State and several of the criteria used by the FAA systematically excludes the smaller communities.

With regard to the level of funding, there are currently 52 applications on file with the FAA from the State of Mississippi for fiscal year 1984, totaling $7.5 million. Of this number, only six airports will receive funding, with more than one-half the available funds channeled into a single community. In my judgment, additional funding is both essential and justifiable.

Second, modifications are needed in the area of selection criteria. For example, under the existing Federal program, an airport must have at least 20 based aircraft to compete for funding. In the State of Mississippi, there are only 28 out of 77 existing public airports which meet this threshold requirement. In addition, both the State apportionment funds and the discretionary reserve funds are distributed based on a priority list established by the FAA. Consequently, local officials and State officials have little or no discretion in applying funds in areas where there is special need.

I would urge your committee to, first of all, reassess the existing priority system criteria, keeping in mind the needs of smaller airports. And, I would support the establishment of a State priority system, particularly for apportionment funds.

In conclusion, I would like to thank you for your support of aviation in our State, and what it means to our economic climate and the quality of life in Mississippi.

STATEMENT OF GENE SMITH, DIRECTOR, GOLDEN TRIANGLE REGIONAL AIRPORT, COLUMBUS, MISS.

Senator ANDREWS. Our next witness is Mr. Gene Smith, the director of the Golden Triangle Regional Airport at Columbus, Miss.

Mr. Smith, welcome to the hearings. We would be happy to hear your testimony.

Mr. SMITH. Thank you very much, Senator Andrews and Senator Cochran.

I am the director of the Golden Triangle Regional Airport which represents the cities of Columbus, West Point, and Starkville, not just Columbus, and also represents the aircarrier subcommittee of the Mississippi Airports Association, to which I might add, Senator Cochran, is sort of an offshoot or a result of our Mississippi Airport Managers Association, when we were trying to focus on the problem of not only the aircarrier airports, but all the airports in the State.

I represent a consensus of the airport directors of our aircarriers within the State, but not a unanimous discussion. And I must admit testimony from Mr. George Singer, who is the airport manager of the Tupelo Municipal Airport, is somewhat in conflict with the testimony that I will present. Also there is one other airport manager, if you like at a later time, who might have something to say concerning our approach.

Ken Barfield has already outlined the structure of our aircarrier airports within the State which are primary airports, commercial airports, et cetera. We feel that the effect of deregulation on the levels of service or the air service industry within our State has been affected in three major ways, primarily discriminatory fares. And I am going to expand on that quite a bit, but also frequency of flights; that is, levels of service and the timing of these flights.

As I said, the fares have been by far the most significant impact upon the travel patterns of the air travelers within our State. The fares for the short haul one way or round trip to the hubs that surround our State are, as you have said, Senator Andrews, much, much, much higher in comparison than they are to the distant hubs. In some cases we have been able to work with our major carrier which supports this State which is, incidentally, Republic, and have been able to massage these fares and get reasonable fares to distant destinations; but this is not always the case.

Additionally, the expiration of mandatory joint fares legislation expired a year or so ago and, again, the major carrier that serves us, Republic, does not always have joint fares with other carriers serving points that they don't serve. So we wind up again with some very high fares when you have these add-on type things. Also, the one hub we have in our State which is Jackson—it incidentally is served by Delta and American, an additional two commuters—Delta and American are in fare wars toward the west coast and they have fares that are much, much lower than what the other aircarriers that are serving our State can match.

I want to bring up probably the major point of this whole thing. At our small communities we are losing anywhere between 30 to 60 percent of our local markets to hubs surrounding the State, and right now because of the fare war, if you will, that Delta and American are in Jackson, probably 85 percent of that total going toward the southwest is going into Jackson. Now, this is good for the consumer at this particular point, but in the long run it is going to affect the service levels at every one of the other aircarrier airports in our State because Republic or whoever it might be serving those things is only going to serve them based on the market that's there. And if we are losing that 30 to 60 percent to one particular place or to a place outside of our State, this has to affect the long-term service levels and, in fact, the immediate service levels.

In the short haul, let me give you two or three fare comparisons that you and Ken Barfield talked about a few moments ago. Out of Gulfport, Biloxi to Atlanta one way, the cheapest fare that you can get is $170. Now, this fare was good last Thursday; I assume that it still is. Pine Belt to Atlanta is $129 one way. Out of the Golden Triangle, our airport, it's $101 one way. Yet you can go round trip to Los Angeles from Jackson for only $298 and the only restriction that is on this fare is that you must buy 3 days in advance. The same type of fare out of the Golden Triangle is $509. Now, there is no way that I can sell tickets flying out of the Golden Triangle when you can save almost $200 by driving to Jackson on just one ticket.

There have been several cases where Republic and—again, I say Republic, because it is our carrier within the State primarily for our smaller airports—has been able to work and adjust these fares to the destinations that they serve, but it is not always the case and there is no way that they can match what Delta and American are doing in Jackson to the southwest. And without any disrespect to both of those carriers, you know, I just can't see this happening for a long, long time, but you establish travel patterns for the people within your community and it takes a long time to break those.

One of the other factors that is a result of deregulation is the frequency of flights, not nearly as important as the fares, but it has already happened. Ken has already gone into what has happened at University-Oxford and Greenwood as far as what they have gone through under the 419 program, but I would like to just add one part to that. He mentioned the fact that Mississippi Aeronautics Association in conjunction with the Civil Aeronautics Board is considering a use-it-or-lose-it program under the 419 whereby they find a carrier that is fit, willing, and able and can provide service for 1 year and that will meet the needs of that community, will at the end of that 1 year, if it does not develop the ridership to a point where it is comfortable for that carrier, then stop the subsidy regardless of the length of the 419 program. We asked about it and I have discussed it with some CAB members too, but there is one other criteria in the 419 program that I don't feel is being addressed properly. That is the proper marketing of this service at the communities.

Part of the subsidy equation as I understand it under 419, is to have some moneys in there for marketing; but it goes to the airlines and it is not always used in a proper way so that the type of service, the level of service, where you are going is done within the community. We recommend that as part of this 419 program through its expiration and certainly in this particular case, that moneys be set aside for marketing of this service as it's going in and that this be done by a professional marketing firm and somewhat policed by the CAB if you will.

The last factor that we feel has had somewhat of an impact upon this State is the timing of flights. It was certainly a factor at Greenwood and Oxford in that Ken has already said if you leave at 10:30 in the morning going to Jackson and come back at 2:15 you accomplish nothing. By the same token, if the flights out of these two points going to the hubs don't meld with the connections at the hubs going to their overseas and domestic markets, then again they are of no use to that particular hub. We have two communities in our State that have flights leaving as early as 5:30 in the morning going to hubs. This meets the EAS requirements but it certainly doesn't serve the travel pattern requirements of the community.

In summary, I think Ken has already said that the biggest problem and probably the most devastating effect of deregulation on this State is the discriminatory fares. It is affecting the travel patterns within the State. We are losing people outside of the State, and in the short run as well as the long run it has to affect the levels of service at these smaller communities. As the two mayors who have sat here and testified, and as Ken has testified, the levels of service, accessing of the national air transportation system is a major factor in the economic development and industrial development equations of our State.

We recommend that the fares be regulated to some point. Certainly as a conservative Republican, I can't support total regulation of almost anything, but these fares that have been done away with have been fine tuned for 40 years. The biggest effect throughout the industry is the discriminatory fares, so maybe a progressive mileage rate or something of that nature should be considered. The other thing is that the aircarriers be required to file for some specific time prior to changing the fares, something, Senator Andrews, that I believe you are working on—some type of legislation. If this is done—we do not support reregulation of the airlines; but we believe that if these two things are done, then we will have the airline service and we can develop the market that is necessary for the aircarriers to operate at a profit and maintain the service level required for the continued economic growth and industrial development of our State.

Senator ANDREWS. I appreciate very much your statement. I appreciate your support of my concept. You know, sometimes we Republicans have to make sure we don't let our philosophy get in the way of our commonsense. When you talk about deregulation, if you want to be—and those of you in Mississippi are known across the country as being—constitutional individuals irrespective of political party. You believe in and have a love for the Constitution. And I can point out, Senator, that the commerce clause in the Constitution written there 200 years ago by the founders of this country gave the Congress the specific responsibility to maintain and to promote travel between the separate States and under the commerce laws of the Constitution. Of course, Teddy Roosevelt, that great Republican President, came up with the idea that the railroads had to be regulated for the good of the individual and in order to provide a nationwide and equitable transportation system. I would note the bill that I have introduced is pending before the Commerce Committee. I don't know what it would take for the authorizing committee to look at it, and I don't have Chairman Bob Packwood's support, but I sure have Fritz Hollings', the ranking Democrat's support on the committee.

The bill I have introduced is very simple. It says that if an airline is going to change the fares, they have to announce that change 60 days before they do it and then once they do it they have to hold it in for 90 days. Anybody else who wants to match that fare can come in within 30 days to match the fare. But that will give us something to keep us away from these 365 different fares in different markets that nobody can understand.

The other challenge that we face, though, is the fact that the traveler out of the small town market is subsidizing the travel of the people between the favorite fare cities and we have to get to that in some different way. We had Joe Parmer, the airport manager of Fargo, N. Dak., which is my hometown of Mapleton about 15 miles outside of Fargo, and at my suggestion Joe Canvas, the travel agent in the Fargo-Moorehead area, and he came up with an interesting report for me last March. He found that 49 percent of the airline tickets sold in the Fargo-Moorehead area were originating in Minneapolis, 240 miles away. The fares were so darn much cheaper that people got into their——

Mr. SMITH. Thirty-five percent.

Senator ANDREWS [continuing]. Cars and drove to save that $200 that you mentioned that they save driving from your airport someplace. That is not a nationwide transportation system. That is a bunch of pure hokum. We pointed that out to the airlines and, lo and behold, they did adjust their fares in North Dakota and they have come down somewhat now and we have both Republic and Northwest flying. We also have Frontier as well. We have had some fare adjustment but still not enough.

I think the next step we ought to take is to really look at—not reregulate, but look at some sensible price equity. It's very simple. Say you can't charge more than 30 percent more per mile on your most expensive route segment than you charge on your cheaper route segment for the same class of fare. Then if Delta is an efficiently run airline, they are going to charge a little less than airline *x*; but Delta is not going to subsidize its fares to the west coast by its fares to Atlanta. In other words, the people who want to fly out of Mississippi to Atlanta are going to pay as much to get to Atlanta as they would pay to go the other way, because some of them have to go to Atlanta, some of them want to go the other way. Why should the people going to Atlanta from Mississippi subsidize the travel of their friends who happen to be going in another direction?

I think we can address this but we need your support and the support of people like you around this country to realize that if we are going to have a nationwide transportation system, we ought to have some kind of ground rules that put fare equity in it so that, again, as I said earlier, 75 percent of the people aren't subsidizing the low fares of 25 percent of the people. In your experience, have airline fares gone up or down, the same questions I asked earlier?

Mr. SMITH. Both ways. You know, you would have to say that for Jackson that the $70 one-way fare to Dallas is a tremendous deal at the current time, but talking with the management from the Jackson Airport, they are losing people to Memphis and to other markets. So it's affecting the whole thing. To me it's not a short-term problem. I just can't look at it like that.

Senator ANDREWS. But in your position, running the Golden Triangle Airport which takes people from a large radious in northeast—it is northeast?

Mr. SMITH. Yes.

Senator ANDREWS. The northeastern part of Mississippi where you have an airport facility and where it's set up, on average fares have gone up significantly since deregulation?

Mr. SMITH. Yes, sir, they have gone up tremendously on the short haul since deregulation.

Senator ANDREWS. In other words, the traveling person, the traveling public, the vacationer, the business person, the person who is going off to see a relative has to pay significantly more now since deregulation to travel out of the Golden Triangle Airport than they did before?

Mr. SMITH. They must be, because our enplanements have fallen about 30 percent since deregulation and we can directly track that market to Jackson, Birmingham, and Memphis.

Senator ANDREWS. You can directly track it and that's the key thing because the——

Mr. SMITH. Just like your manager at Fargo did. We can directly track those to those other hubs where those ridiculously low fares are there because of the market.

Senator ANDREWS. The problems that I have been having with Mr. McKinnon, head of the CAB, and I have been on Face the Nation and some other places, you know, in some rather raucous debates with Mr. McKinnon. He claims that the travel is down from the airports like the Golden Triangle Airport because of the economic recession in the country. I told him that's a bunch of hurrah. The travel is down because the people are getting in their cars and going to other places and we are destroying the nationwide web that we need for an adequate transportation system.

Mr. SMITH. Let me submit one point if we have time just to cement what you are saying. Two weeks ago I did an analysis of the three travel agents that serve our area just to substantiate what we suspected anyway. And we found, numberwise, that 35 percent of our market was going to the three hubs. We enplaned about 42,000 people in 1983. If you add that 35 percent to it, it brings it up to the 55,000 we were enplaning in 1979. It's the exact numbers prior to deregulation. Now, we can argue the fact that perhaps that had to do with the recession in 1980 and 1981, et cetera, but the fact being that that number of tickets are being written in the Golden Triangle area.

Senator ANDREWS. So what you are saying is that even though enplanements at the Golden Triangle Airport are down, the travel agents in the Golden Triangle area are writing exactly the same number of tickets. Then we run into another thing. In a nation that's trying to conserve energy, because as we look at the high interest rates and the rest and the deficit in our balance of payments, a lot of that is coming about because we are importing so much high-priced oil from OPEC countries and all of that. We are, in effect, by deregulation in your words, then, forcing people from getting on the airplanes closer to home and forcing them, in effect, to drive separately in their own cars consuming a whale of a lot more energy than they would if they were a passenger on the airplane.

Mr. SMITH. That's true, and depending—I can't argue the fact that if you can save $200 on an airline ticket to the west coast that you shouldn't drive down to Jackson. It's a 3-hour drive. But we also have people driving down there to save $40 and, you know, I can sit and point out to them that it costs them 20 and 40 cents a mile to drive their car; but they don't believe it because all they have had to do is put $30 worth of gas in their tank and go down there and back. And it just doesn't compute to them, but the long-term equation is exactly what you said.

Senator ANDREWS. But under the old regulation—and there was a lot of problems with the old regulation because they had bureaucrat piled on bureaucrat—but the base thing was the fares were equitable around the country. If you were going to travel 1,000 miles, you probably paid half as much as if you were going to travel 2,000 miles. And that gave the Golden Triangle areas and Fargo, N. Dak., the access to equitably priced transportation. And you are having the same problems in the South we are having in the North.

Mr. SMITH. That's true.

Senator ANDREWS. I appreciate so much your contribution. Senator Cochran.

Senator COCHRAN. Thank you, Mr. Chairman.

Gene, I want to thank you, too, for being here and adding as you have to the hearing that we have held today. I think your testimony clearly indicated a lot of practical problems that we are having here in Mississippi as a result of deregulation. I think that your indication of support for the efforts that Senator Andrews is making and others to try to put some equity in the faresetting by the airlines is important.

I think your point, too, about marketing, using some of the subsidy money to promote air service that does exist in some of these smaller communities, is a good point to make. There is no effort, I presume, at this time to assure that any money is going into promotion, is there? Is there any policing of that?

Mr. SMITH. As I understand it—and, Ken, you might help me—but part of the 419 equation is *x* number of dollars in it or *x* number of percentage in it is supposed to be directed at marketing your service. It's given to the airline. There is no policing of this to make sure that it is done in a proper manner. I don't remember who it was at the CAB that I talked with at one of the seminars I went to at the AAAE, but we discussed that particular aspect of it, and I think they are beginning to come around to it and realize that's an important factor in this market development equation. I do not say it's part of the 419 subject to the airlines, now. This would be broken out in a separate part if we are going to do 419. That's another discussion all together.

Senator COCHRAN. Well, it probably has a limited life expectancy. As a matter of fact, they are not even supposed to be alive right now; but it is because of some language that was written in a bill once upon a time as I remember. But this same point is made by Billy Simmons and I mentioned his letter a while ago.

Mr. SMITH. That's right.

Senator COCHRAN. He makes that point, too, and he uses as an example Royale Airlines that has been serving the Natchez community and he just makes the observation that there is just not any marketing activity that is really being noticed in the area. A lot of people just don't know the service exists or they would probably have a lot more enplanements if they did.

Mr. SMITH. I know I am probably over my time but let me make one other comment to support that. Most airports from large to the small, and usually the large have more money to do this, are beginning to put between 2 and 4 percent of their annual operating budget in marketing. And those are—the small airports our size are very limited in, you know, our moneys that we have to spend on those funds. So it is very difficult to develop, to put 2 to 4 percent into that, but we are having to do it. We are just having to cut elsewhere to start marketing our own airports. And in the communities like Oxford and Greenwood which are very, very limited, if in our efforts to develop service under the 419 program we don't address that part, then I say let's don't do it, period, because it will be pouring money down a rat hole and I think they would say the same thing.

Senator COCHRAN. I can just point out, as a matter of personal experience, too, support for the comment that you say you heard this morning. Morgan Williams was here, the operator of the Jackson Airport, and probably still is; but I know I have friends who have told me they were driving to Memphis if they were going to fly to New York. Not flying out of Jackson, but driving 4 hours to get to Memphis to make that flight because of the difference.

So what's happening is people are driving from the Golden Triangle to Jackson and from the Pine Belt area to Jackson to fly, and people in Jackson are driving to Memphis and driving to New Orleans and driving to Mobile. It's kind of crazy, isn't it?

Mr. SMITH. I would just like to make sure the copy of the testimony will be included.

Senator COCHRAN. It will be, and let me point that out. I intend to make a part of the record this record I referred to twice from Billy Simmons and testimony from the Yazoo City Airport operator. Anyone who has any comments or suggestions that you would like to have included in the record of this hearing, if you could just simply put that in the form of a letter or statement, we will see that that gets included in the transcript of the hearing and the record will remain open for some period of time to accommodate you if you want to do that after you get back home.

Senator ANDREWS. Let me point out, Senator, that, without objection, the various pieces of testimony that you have referred to will be in the record at the end of the section that we have just concluded, the Mississippi presentation. And that the record will be open as per your request for 2 weeks for individuals across Mississippi to file whatever other statements they might want to with the subcommittee and, if they will send those statements to your office or to my office, we will see that they are included in the permanent record.

[The statement follows:]

STATEMENT OF GENE SMITH

THE EFFECT OF DEREGULATION ON MISSISSIPPI'S AIR SERVICE

Mississippi has ten air carrier airports. By definition, three are primary air carrier airports, four are commercial service airports, and three are commuter airports. Republic Airlines is the carrier that serves two of the three primary air carrier airports, and all four commercial service airports. Jackson is served by American and Delta, along with Royale and Sunbelt as commuters. All ten have been determined essential air service airports, and the Civil Aeronautics Board has established the essential air service requirements of each. Five of these have had their requirements amended since the original determination in 1979. Only the three commuter airports now receive subsidized service under the 419 program.

The airport managers and aviation officials within our state are fairly unanimous in their agreement that Mississippi's air service and economy have been affected in three major ways under deregulation. These are: discriminatory fares, frequency of flights (levels of service) and timing of the flights.

Fares have had the most significant effect on air travelers. For the most part, fares for the short haul, i.e. one-way and round-trip fares for points within Mississippi to our hubs are exorbitantly high in comparison to fares from the hubs to more distant points. In some cases, these fares have been massaged to provide reasonable add-on for the short segment when going over a hub to the distant destinations. For many situations, however, this is not the case. Additionally, the expiration of mandatory joint fare legislation and the fact that the major airline (Republic) who serves most of the points in this state, does not have joint fares with some of the other airlines at the hubs cause this add-on to be excessive. This forces the passenger flying from our small cities to pay an extremely high fare to their destinations. Also, at the one hub airport in our state, which is Jackson, the competition between the two major carriers, Delta and American, has resulted in very low fares from Jackson, primarily to the southwest and west coast markets. This situation is taking anywhere from 30-50% of the market from the surrounding small airports, i.e. Pine Belt, Meridian, Natchez, Golden Triangle, Greenwood and Greenville.

A recent statistical study at the Golden Triangle Airport showed over 35% of all traffic bound for the west coast departing from Jackson due to these low fares. Just to outline some of these discriminatory fares, currently the lowest possible fare from Gulfport/Biloxi to Atlanta is $170.00. From Pine Belt to Atlanta is $129.00; from the Golden Triangle it is $101.00. Conversely, you can go round-trip to Los Angeles out of Jackson for only $298.00. The only restriction on this fare is that you must buy your ticket three days in advance. The same fare from the Golden Triangle Airport is $509.00.

There have been some cases where our major carrier (Republic) has been able to adjust its fares from the small airports to their major destinations when going over their major hub, which is Memphis. In most cases, however, the larger hubs are siphoning off the above mentioned percentages of the market because of these ridiculously low fares.

Frequency of Flights: For some of our points this has also been a problem, although we do not consider it a major one. Certainly, it has affected Oxford, Meridian, and Greenwood. Immediately after deregulation, Delta filed to leave Meridian since Southern Airways (Republic) also served that city. Delta provided Meridian with Dallas/Atlanta service. Therefore, it decreased the number of flights from Meridian by about half. Republic later filed to leave Greenwood and Oxford and was replaced by Jamaire, which was sold to Sunbelt. Jamaire was serving Greenwood and Oxford with Cessna 406 aircraft at that time under the 419 program - two of the only three points in our state being served under the 419 program. When Sunbelt acquired the airlines, it changed to Bandeirantes, an 18 passenger aircraft, and decided it could no longer economically afford to serve Greenwood and Oxford. They also filed to leave. Royale Airlines was the replacement for Sunbelt, and after nine months has now filed to exit these two communities. An interesting experiment is now being considered for these two points, however. The Civil Aeronautics Board, in cooperation with the Mississippi Aeronautics Commission, is investigating a "use it or lose it" approach on the 419 subsidy program where the community will receive subsidized service for one year. If the ridership of the airlines does not develop profitability in that period of time, then the subsidy will be withdrawn regardless of the length of time left in the 419 program. It is also the very considered opinion of the airport managers in our state that in addition to subsidy to the airlines, one of the major ingredients in developing a market at these small communities is the proper marketing of this service. In no case that we are aware of has this been done. We recommend, wholeheartedly, a structured marketing program financed by part of this subsidy be granted to these communities. This program is to be done by professional marketing firms, and not by the airline itself. We believe this will do as much in market development as any one single factor.

The last deregulation factor affecting service in Mississippi is the timing of the flights. This was one of the major problems at Greenwood and Oxford, in that flights would leave approximately 10:30 in the morning and return at 2:15 in the afternoon from the hubs, affording no connecting flights whatsoever, either outbound or inbound. Additionally, in two of our commercial service airports, flights now leave as early as 5:30 a.m. going to the hubs, which is very, very inconvenient for anyone wishing to travel. These flights, although meeting with EAS requirements, do not serve the travel pattern of the community.

In summary, the biggest problem and the most devastating effect of deregulation to all of the aviation industry is the discriminatory fares. This has affected every point, including our one hub (Jackson). The Mississippi air carrier airports strongly support some form of regulatory fare structure, such as a progressive mileage rate. Additionally, we recommend the carriers be required to file for some specified period of time prior to changing or matching fares, i.e. something similar to the legislation Senator Andrews has proposed. If this is done, we believe that deregulation will not hurt Mississippi, but overall could help by developing markets which will allow airlines to operate at a profit and maintain service levels required for the continued economic growth of our state.

SUBCOMMITTEE RECESS

Senator ANDREWS. Let me also point out that if you have concluded, Senator——

Senator COCHRAN. I have.

Senator ANDREWS [continuing]. That we have finished the first part of our hearing. Because any chairman worth his salt knows that hearings are tolerable only if you have a break occasionally, and you probably need breaks as much as we do. We will break now for 15 minutes. We will reconvene at 10:30 when we will hear from Mr. Shea who is the Associate Administrator for airports of the FAA; Jonathan Howe, the director of the southern region; Newton Taylor, manager of the airport district office right here in Jackson, Miss.; and Jeffrey Shane, who is the Deputy Assistant Secretary for Policy and International Affairs. These four key people representing the Federal Government will testify on the basis of what they are doing as it impacts Mississippi. And I am sure that many of you from Mississippi are going to be extremely interested in what their comments are.

Senator Cochran undoubtedly will have a number of questions, as I will, of them. So we will reconvene at 10:30 at the same place.

[A brief recess was taken.]

[CLERK'S NOTE.—The following letters and statements were received by the subcommittee for inclusion in the record.]

LETTER FROM CHARLIE ABRAHAM, JR., MAYOR, HOLLANDALE, MISS.

DECEMBER 27, 1983.

Hon. THAD COCHRAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR COCHRAN: The city of Hollandale will have a representative in Jackson on January 9, 1984.

We would like to submit the idea of bathroom facilities and a telephone placed at small airports. We have a small airport outside the city limits and from past experiences know there is a definite need.

We appreciate all the many things you have done for our State and hope you will be instrumental in aiding us in this endeavor.

Sincerely,

CHARLIE ABRAHAM, Jr.,
Mayor.

LETTER FROM WALTER E. SISTRUNK, MISSISSIPPI

JANUARY 4, 1984.

Hon. THAD COCHRAN,
Member, Subcommittee on Transportation,
U.S. Senate, Washington, D.C.

DEAR SENATOR COCHRAN: Thank you for requesting my concerns about general aviation in Mississippi and throughout the United States. As a flight instructor, a university professor, and as an airport board member, I'm concerned about maintaining our flight service and weather stations at Meridian, Greenwood, Tupelo, Jackson, Gulfport, et cetera. The weather in this region is such that a single weather station would not serve the needs of the general aviation community. We need to increase the number of instrument approaches and we need to improve their quality both in Mississippi and throughout the Nation.

General aviation moves about one-half of all the passenger miles moved in this Nation each year. Yet, recent administrations have consistently sought to arbitrarily restrict general aviation and have consistently sought to make general aviation seem unsafe to the general public and have consistently tried to raid the trust fund. General aviation pays most of the taxes into the trust fund but the FAA has sought continuously to spend most of the funds on large airports used mainly by scheduled airlines.

Mississippi is fortunate in having a fine network of airports all over the State. It is even more fortunate in having Congressmen and Senators, like yourself, who are knowledgeable about aviation and interested in its future. Thank you for giving me an opportunity to make a statement.

Sincerely,

WALTER E. SISTRUNK.

LETTER FROM W. H. FEDRIC, GRENADA, MISS.

DECEMBER 14, 1983.

Hon. THAD COCHRAN,
U.S. Senate, Washington, D.C.

DEAR THAD: Thank you for your letter of December 12 advising me of the subcommittee meeting on January 9 in Jackson.

Briefly, I was one of the ones who originally convinced the city government of Grenada to place our airport under the operation of an airport commission and have been on the airport commission since that time, spanning a period of many years. Surrounding our airport and as a part thereof, we own approximately 1,200 acres which has been developed into an air industrial park, with an industrial park thoroughfare five lanes wide, built to interstate standards for use by heavy trucking, et cetera, in future industrial development. Our airport is large, with clear approach areas to the three 5,000-foot runways and affords a very safe harbor to any size aircraft that might want to use it, either regularly or on an emergency basis. If you envision being in Memphis and looking south, you have the Tupelo Airport on the extreme left, you have the Grenada Airport directly south of you, and the Greenwood-Greenville Airports to the right or to the west. In other words, you have a system of airports across the State from east to west which can be utilized by general aviation or any other aviation that may want to use them or need to use them in an emergency.

About a year ago, I read an interesting article dealing with the importance of airports to industry. I was particularly impressed by the head of the industrial development board, or commission, for the State of Ohio which said that they considered their airports as a front door to any and all cities in Ohio that had airports for the reason that the airport was the first impression that a visiting industrialist would have of the city or town, as the case may be, and, therefore, it was highly important they they be maintained and developed because industrial expansion would not take place anywhere without an adequate, up-to-date airport.

Being a pilot myself, I am more aware of the importance of general aviation facilities than most people who are not pilots, and I know of the extreme importance to the development to this area that the Grenada Municipal Airport provides. Since I have no way of knowing what issues will be addressed at the meeting, I would not be in a position to make any written statement. Our airport is a very active one with planes of all sizes, including jets, coming and going on a daily basis, and while I know there is not enough money to fund every potential need, I do feel that aviation transportation, both from a standpoint of passengers as well as freight, is in its very infancy. I think it extremely important that long-range thought and planning be given to aviation and airport development in Mississippi, as well as the other States.

I appreciate your inviting me to the meeting and I will do my best to attend and hope to have an opportunity to speak to you personally since I know of no two people I love more than your wife's parents. For that reason, I am particularly proud of the fine job you are doing for Mississippi in the Senate. If I may ever be of any service or if I can accommodate you in anyway, please feel free to call on me. With personal regards, I am,

Yours very sincerely,

W. H. FEDRIC.

LETTER FROM CRAIG L. EZELL, MAYOR, WAYNESBORO, MISS.

JANUARY 10, 1984.

Senator THAD COCHRAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR COCHRAN: I am sorry that we were unable to make the Jackson meeting on airport development for Mississippi. I know you are aware of the application that the city of Waynesboro submitted to the EDA in 1983. This application was not funded.

Our airport is very important to the city of Waynesboro and our economical growth. It needs improvements, repairs, and renovation.

I know you are interested in our problems and can help us. I am looking to you to keep me informed with any funding that becomes available.

Sincerely,

CRAIG L. EZELL,
Mayor.

LETTER FROM FRED G. CONDEN, PRESIDENT, MONROE COUNTY (MISS.) AIRPORT COMMISSION

JANUARY 3, 1984.

Hon. THAD COCHRAN,
U.S. Senate, Washington, D.C.

DEAR SIR: Reference your letter of December 12 concerning the improvement and development of aviation and services in Mississippi.

We in Monroe County are primarily interested in airport improvement and expansion.

We are in a rather unique position of having three corporate jets operating from our 4,000-foot runway and having five industries with larger corporate jets unable to use our airport because of runway length. On a hot summer day, the three Citation jets based here have to reduce their capabilities in order to operate within limits.

Am enclosing copies of letters from some of these potential users showing their need at this time.

I realize that this field hearing is not for the purpose of pinpointing locations needing help, but we do wish to take this opportunity to show our airport expansion would fit hand in hand with industrial development.

Thanking you for your interest in aviation progress.

Respectfully,

FRED G. CONDEN,
President, Monroe County Airport Commission.

LETTER FROM E. J. MURPHY, AMORY, MISS.

Mr. JOE HAUGHTON,
Monroe County Airport Authority, Aberdeen, Miss.

DEAR MR. HAUGHTON: Fabri-Valve, a division of ITT, has access to a number of corporate aircraft, including Gulf Stream II and Gulf Stream III. These aircraft are for the exclusive use of divisions such as ours to familiarize potential customers with our plant's facilities and resources. Because of the short length of the Monroe County Airport, Fabri-Valve is unable to use this corporate asset.

It would improve Fabri-Valve's ability to compete in the national market for valves if we were able to bring more customers to our facility. We believe extending the Monroe County Airport to at least 5,000 feet is vitally important to our marketing efforts. We would appreciate anything you can do to expand the size of the runway.

Please let us know if there is anything we can do in support of this effort.

Yours truly,

E. J. MURPHY.

LETTER FROM H. A. MILLER, MAYOR, ABERDEEN, MISS.

DECEMBER 5, 1983.

Mr. WAYNE CALDWELL,
FAA District Office, Jackson, Miss.

DEAR SIR: Mr. Joe Haughton, manager of the Monroe County Airport, briefed me on your visit to the airport on December 1, 1983.

At that time, Mr. Haughton requested information as to the possibility of obtaining funds for extending the 4,000-foot runway to 5,000 feet to accommodate aircraft used by the several industries located in Monroe County.

We have six to seven industries in the Aberdeen area and I am sure Amory has more. All use company-owned planes and require a 5,000-foot runway. To date, they have to use the Golden Triangle Airport requiring automobile rental and 60 to 70 miles round-trip traveling. Most of these industries have contacted me, and I am sure Mayor Griffin of Amory and our board of supervisors, as to the possibility of extending the present runway to accommodate their effort.

Also, just about every industrial prospect that visits our area asks us how far to an airport that will accommodate their aircraft. I do not doubt that we have lost out on some of them locating in Aberdeen, Amory, and Monroe County because of the distance from a suitable airport.

Mayor Griffin of Amory and I, as mayor of Aberdeen, are in full accord as to the need of this extension and agree that it will not only benefit our industries in Monroe County, but will also enhance our efforts to secure additional industries.

Amory Mayor Tom Griffin and I assure you we are ready to take any necessary steps in applying for and seeking a grant for this badly needed extension. We will appreciate your assistance and the information and application needed to promote this project which will not only benefit industries already located in our cities and county, but will also be an added inducement for industrial prospects visiting our county to locate here.

Your advice and assistance on this project will be most sincerely appreciated.

Sincerely,

H. A. MILLER, *Mayor.*

LETTER FROM HARRY W. RUTTER, AVIATION DEPARTMENT MANAGER, KERR-MCGEE CORP., MISSISSIPPI

JANUARY 27, 1984.

Mr. J. L. HAUGHTON,
Airport Manager,
Monroe County Airport Commission,
Aberdeen, Miss.

DEAR SIR: I am pleased to respond to your request for information concerning our flying operations and possible use of the Monroe County Airport. We currently operate three twin jet Sabreliner model 75A aircraft (N68KM, N69KM, and N70KM), which require a minimum of 5,000 feet dry runway for takeoff and landing. At full capacity they weigh approximately 23,000 pounds each.

Since our Kerr-McGee facility is located only 7 miles from your airport, we would certainly use your facility approximately 12 to 15 times per year, depending upon the weather conditions and approach facilities.

If you need further information, please contact me.

Sincerely,

HARRY W. RUTTER,
Aviation Department Manager and Chief Pilot.

LETTER FROM ALBERT CRONIN, ALLEGHENY INTERNATIONAL, INC.

APRIL 27, 1983.

MR. J. L. HAUGHTON,
Airport Manager,
Monroe County Airport Commission,
Aberdeen, Miss.

DEAR JOE: Thank you for your letter and newspaper article of our visit to Monroe County Airport.

I'm sure you recall our discussion about the takeoff and landing requirements of the Westwind and Gulfstream aircraft we presently operate.

Now that the warmer weather is upon us, we are further restricted with regard to runway length and Monroe County is usable only if weather conditions are favorable.

A minimum of 1,000 feet extension would provide a margin of safety and also enable us to depart Monroe County with sufficient fuel to return home without a stop.

Again, we thank you for your hospitality and look forward to seeing you in the future.

Yours truly,

ALBERT CRONIN, *Pilot.*

LETTER FROM THOMAS GRIFFITH, MAYOR, AMORY, MISS.

DECEMBER 13, 1983.

Mr. WAYNE CALDWELL,
FAA District Office, Jackson, Miss.

DEAR MR. CALDWELL: Mr. Joe Haughton, manager of the Monroe County Airport, talked to me about your visit of December 1, 1983.

I understand that Joe requested information as to the possibility of obtaining funds, to extend our airport 5,000 feet.

I want to express my interest and concern about this project because of the needs of the local industries and businesses using the airport. Just last week, one of our industries called wanting information on the airport to see if it was suitable for their corporate plane to come in. We also have three jets that use it on a daily basis and many other smaller aircraft for business and pleasure.

The airport is becoming more and more important each year to our local people, and also as an attraction to prospective new industries and businesses who are considering Amory, Aberdeen, and Monroe County.

I will appreciate any consideration and assistance you can give to see that this project can be completed.

Sincerely,

THOMAS GRIFFITH, *Mayor.*

LETTER FROM R. G. MUELLER, CHIEF PILOT, TENNECO, INC.

JANUARY 26, 1983.

JIM GARDNER,
Manager of Production Control,
Walker Manufacturing, Aberdeen, Miss.

DEAR JIM: Tenneco Aviation frequents Golden Triangle Airport in Columbus, Miss. Golden Triangle Airport provides us with 6,500 feet of runway and jet A fuel.

A 1,000-foot extension to the Aberdeen Airport runway would bring it to 5,000 feet, which is Tenneco's minimum for jet aircraft. There are a number of limiting factors when using a 5,000-foot runway, which translates into reduced range.

A 5,500-foot runway would afford us 30 to 40 minutes more flight time, or approximately 300 miles greater range. The additional 500 feet would provide the range needed to make Chicago and Milwaukee nonstop.

If any further information is needed, please feel free to contact either Dave Jandl or myself. We at Tenneco Aviation fully support airport expansion near any of our company facilities. In the long run, this usually means reduced operating costs and an increase in productivity and safety.

Sincerely,

R. G. MUELLER.
Chief Pilot, Milwaukee Base.

LETTER FROM JAMES F. HOPSON, PILOT, NORTH AMERICAN PLASTICS, INC., MISSISSIPPI

JANUARY 12, 1983.

Mr. J. L. HAUGHTON,
Airport Manager,
Monroe County Airport,
Aberdeen, Miss.

In response to your inquiry concerning the number of operations anticipated by North American Plastics airplane at Monroe County Airport during calendar year 1983, I anticipate that Citation N557CC will make 210 takeoffs and 210 landings at Monroe County Airport this year.

Respectfully,

JAMES F. HOPSON, *Pilot.*

LETTER FROM JIM VAUGHAN, CHIEF PILOT, AMORY GARMENT CO., AMORY, MISS.

JANUARY 21, 1983.

Manager J. L. HAUGHTON,
Monroe County Airport Commission,
Aberdeen, Miss.

DEAR SIR: This is in reference to your letter of January 12, 1983, with regard to planned runway extension.

We estimate the Amory Garment Co. in company aircraft (Citation N4TL) will have 125 takeoffs and 125 landings at the Monroe County Airport this year.

We hope that the runway extension becomes a reality as it would make our flight operations safer.

Respectfully,

JIM VAUGHAN, *Chief Pilot.*

LETTER FROM HARLAN PRESTRIDGE, EXECUTIVE DIRECTOR, AMORY-NORTH MONROE CHAMBER OF COMMERCE AND DEVELOPMENT COUNCIL, INC., AMORY, MISS.

JANUARY 6, 1984.

Mr. JOE L. HAUGHTON,
Airport Manager,
Monroe County Airport Commission,
Aberdeen, Miss.

DEAR MR. HAUGHTON: The Amory-North Monroe Chamber of Commerce and Development Council fully realize the importance of our Monroe County Airport and the contribution it makes to the area. In order to encourage and prepare for the future growth of our area and meet the requirements for economic expansion, it is most important that our area be equipped with airport facilities that will accommodate the aircraft needs of industry, business, and pleasure.

It is our understanding that a number of industries located here have great difficulty using the Monroe County Airport and some of the local industries are totally unable to utilize the facility due to the limitation of the runway being only 4,000 feet in length. Since there is a large number of industries throughout Monroe County, as well as a number of individuals who need and use this airport on a regular basis, it is imperative for the continued growth of our area that our airport be upgraded in order to meet the demands now and the demands that will be presented in the future. Extending the existing 4,000-foot runway by another 1,000 to 1,500 feet would certainly be the most important single project at this time to accommodate the needs of everyone using the facility.

We would certainly ask that you explore every avenue to bring this much-needed project to a successful conclusion. If the Amory Chamber of Commerce can assist you in this most worthy project, please feel free to call on us at any time.

Sincerely,

HARLAN PRESTRIDGE,
Executive Director.

LETTER FROM PAUL ALLRED, CHAIRMAN, COLLINS AIRPORT AUTHORITY, COLLINS, MISS.

JANUARY 9, 1984.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, D.C.

DEAR SIR: With regards to the seminar to be conducted in Jackson, Miss., on January 9, 1984, I would like to submit the following observations with regards to some of the pitfalls encountered by smaller municipalities attempting to qualify for Federal funds.

For the past year, our committee has been in the process of updating our master plan in order to qualify for funding by ADAP. While consulting with our engineer and the Mississippi Aeronautics Commission and the FAA, we have found that a 20-plane criteria has been set out now by the FAA and that we would be hard pressed to qualify by any stretch of the imagination.

Our committee has a current master plan which, though complete with engineering and current environmental impact statement, will likely be a very low priority item, even though our community economy is in dire need of stimulation.

We find that while our program will include an industrial park and airport, and this measure (our proposed project) is the only means by which a community of our size can help itself to entice a desirable industry, our very future depends on our being in a position to be able to qualify for Federal grants and, by virtue of our size, we are at a definite disadvantage.

It is, therefore, the desire of many small municipalities to be able to obtain funding for upgrading and repairing airport facilities and constructing industrial parks for the purpose of stimulating their local economies and maybe being able to survive as a business community, in many cases.

I, for one, therefore, feel that the Appropriations Committee should take a close look at the requests of the vrious small communities, such as ours, and address the problem before it is too late and costs have become prohibitive for such important projects.

Gentlemen, we appreciate very much any attention you may be able to give to our situation in these matters.

Respectfully submitted,

PAUL ALLRED.

STATEMENT OF WILLIAM D. SIMMONS, DIRECTOR OF AVIATION, NATCHEZ-ADAMS COUNTY AIRPORT

Many, many thanks for the invitation to attend the Subcommittee hearing in Jackson on January 9. It is my intention to be in attendance.

There are several issues that I am interested in and would like to comment on them at this time. I know that Mr. Ken Barfield will testify on some of these, but I would like to enter my personal opinion concerning them.

First, there is the issue of the Federal Trust Fund surplus versus the amount of tax to be levied to support this fund. We operate the Natchez-Adams County Airport for the city and county so as gasoline and jet fuel dealers we see this tax every day. I also am a consumer of aviation fuels and I recognize the price being paid for a gallon of fuel. Therefore, I'm on both sides of the fence. I understand that there is legislation pending to correct this unbalanced situation and I support the reduction of taxes until the surplus is markedly reduced. As you know, a sizeable amount of this money goes into the operation of the FAA. As long as there is a huge surplus, the money will leak out. Not that I'm totally against the funding of the operation of the FAA but if that is what we're doing with some of the money then I think we need to change the name of the federal program and not disguise this appropriation under the name of AIRPORT IMPROVEMENT PROGRAM (AIP).

Then there is the matter of the Commuter Airline program and the 419 subsidy. Natchez is served by Royale' Airlines and is doing a good job of operating aircraft in and out of the community. The trouble is there are not many passengers. Mainly because there is no market development program and has only been token advertisement of the service for the last 5 years. When the Essential Air Service program was being developed, there were some of us that attempted to have, as a part of the subsidy payment, a definite market development program. It is my opinion that in these last years of the EAS that there should be a percentage of the subsidy earmarked for development and that that program should not be administrated by the airline but by a professional firm that has the approval of the community and the Civil Aeronautics Board. If by that time the market will not support airline service, then service should be discontinued or at least subsidy terminated.

Automatic Weather Observation System (AWOS) has been brought to my attention. At first I was firmly against the closing of the flight service stations but I attended the meeting held by the FAA in Jackson and I am seeing the other side of the coin. I like the idea of being able to get up to the minute weather at many more stations than we now have reporting. I also think that the "Central Station" will fulfill the need of those requiring the filing of flight plans and more detailed weather information. The only "fly in the ointment" that I can see is to close the flight service stations before the AWOS system is ready for operation. This to me would be a definite "no no".

Finally on a local issue which concerns the audit of the financial status of the airports if they are to remain in the Federal Grant Program. The Natchez-Adams County Airport was one of those airports that complied with this regulation. The cost of this action cost the Natchez-Adams County Airport Commission $14,032.42. Let me hastely add that this bill has not been paid even though the audit was approved by the FAA and the bill rendered many months ago. It is our opinion that if the FAA required this audit then they should help pay for it. The financial affairs of the Natchez-Adams County Airport are audited by the State Department of Audit along with many of the other political sub-divisions of the County. However, this was not acceptable to the FAA and directed the Airport Commission to advertise for bids to have the "systems audit" of the airport completed. At that time the FAA was considering paying for part of the audit under the federal program. This offer was subsequently withdrawn but the requirement to have the audit done remained. Therefore the audit was done according to the Advisory Circulars published by the FAA and completely different from the normal audit performed by the State. In-depth research had to be done to establish prices and costs that went back to the construction of the airport in 1943. Even day to day gasoline transactions were examined as we are the operator of the airport and that business was part of our cash flow. My point is that sometimes a blanket rule is not adequate to cover all airports and that some "bending" of the rules are required to accommodate the variations in airport management, operation, and ownership. Several letters from the Airport Commission and the MS Aeronautics Commission asking that some relief be given in this area have been written to the FAA District Office, the FAA Regional Office, and to Mr. Bill Shea in Washington. As of December 20, I received a letter from the Manager, Airports Division, FAA Atlanta, declining our latest plea.

Thank you for the opportunity to express my views on the above subjects. There are many more which I feel will be addressed at the hearing in Jackson. I look forward to that occasion.

STATEMENT OF TOM GILLIES, AIRPORT ADMINISTRATOR AND DIRECTOR, YAZOO COUNTY PORT COMMISSION

In his testimony before the Subcommittee, Ken Barfield, Director of the Mississippi Aeronautics Commission, called your attention to the low priority given the construction of new airports by the Federal Aviation Administration and cited that as one of the significant problems facing our state's aviation industry. He specifically referred you to Yazoo City as an example of the prioritization failure.

As Airport Administrator of Barrier Field in Yazoo City and Director of the Yazoo County Port Commission, which operates this facility, I am making this submission to provide you with additional facts concerning this problem.

As will be demonstrated later herein, the Yazoo City airport facility must be relocated for safety reasons because necessary modifications cannot be made at the present location. Mr. Barfield's agency and FAA recognize this necessity, but the FAA priority system gives such low priority to new airports (including relocations) that we will never be funded under the ADAP program unless it is from national discretionary funds. This is despite the fact that the airport has done everything necessary to be eligible for ADAP funding.

Known as Barrier Field, the Yazoo City airport was put into operation in 1950 as an SOD project. At that time it was well north of the built-up area of the town and presented no safety or adequacy problems.

The facility has a 3660 foot concrete paved, north-south lighted runway. Additionally, there is a grass strip that runs diagonally, southwest to northeast, from the approximate midpoint of the paved runway. This grass strip is favored by the several planes of the two agricultural aerial applicators stationed at Barrier Field.

Over the years, as Yazoo City grew, it built up around the airport. Today there is a subdivision immediately across the two-lane street from the south end of the main, paved north-south runway. And the end of that runway is only a few feet from the edge of that street!

Immediately to the west of this main runway is the new Yazoo City High School, with a student body of some 1,000 ninth through twelfth graders. A few hundred feet to the east of the facility is Manchester Academy, a private school with some five hundred students in grades K through 12. On the airport property itself, just to the east of the grass strip, is Yazoo Industries, which employs 450 workers manufacturing wire harnesses for the automotive industry. Both schools were built in the '70's, while Yazoo Industries only recently located their operations to a then-empty building on the airport property.

Whether anyone considered the safety of siting these edifices so near the airport is moot now, but it should be stated that the town is situated where the Mississippi Delta runs into a line of loess bluffs that form the Delta's eastern perimeter. A large portion of the town is situated in the very hilly area to the east of the Delta, which is quite unsuitable for an airport. The Yazoo River brackets the town on the west and much of the intervening area is swampy or subject to annual flooding. The town, therefore, was forced to develop in a northerly direction toward and around the airport.

The safety problems of Barrier Field were dramatically and tragically brought home to the community on January 10, 1978, when a Beech KingAir B-80 belonging to Mississippi Chemical Corporation, the town's largest industry, crashed in a residential neighborhood to the south of the runway, while making its final approach. Because of the good work of the pilots or good fortune or both, the plane hit no homes and no one on the ground was hurt. The two pilots and three executives on board, all MCC employees and local residents, were killed.

It became obvious to all that a plane, which suffered the same mechanical problems as this one, could just as easily have crashed into a school house full of children, a factory with 450 employees or any of the series of houses that crowd the streets immediately south of the airport's main runway. Had one done so, the carnage would have been indescribable.

Perhaps as worrisome, the ag aviators using the grass strip often fly directly over both Yazoo Industries and Manchester Academy, at extremely low altitudes. The nature of the aerial application business is such that there are several take-offs and landings by each plane every day. One failure on such a take-off or approach would be catastrophic.

Prior to this 1978 crash, serious study had been given to the extension of Barrier's already inadequately short runway. The safety factor notwithstanding, such an improvement of the existing facility proved impractical.

The situation to the west, southeast of the airport has already been described. Obviously, the runway cannot be lengthened to the south; it is already located too far to the south. A northern extension, to bring the runway up to a safe length for the type of craft local industries need to use at the facility, was all that could be considered. And it could not be done.

Just beyond the north end of the paved runway is an east-west two-lane road. Beyond it is a swamp, euphemistically known locally as Battle Lake. Bordering this swamp on the north is Mississippi Highway 3, a federally-funded bypass from the westbound US 49 West on the town's western edge, to northbound US 49 East, north of town.

To lengthen the runway to the north meant draining the swamp, an implausible task. Even if the environmentalists would let us drain and fill that lake, highway regulations prevent the runway from being constructed too close to Highway 3. We found ourselves, therefore, hemmed in with an inadequate, unsafe airport.

The obvious course, particularly in the wake of the 1978 tragedy, was to relocate the airport to a safer area, well away from the twon and outside of its path of growth. The earlier investigations were used as a basis, and an intensive study with state and federal input resulted in the decision to build a new airport across the Yazoo River and to allow the present facility to be turned into a 190-acre industrial/community use area.

On August 21, 1981, the product of this exhaustive study, an ADAP pre-application, was prepared for submission to FAA. It was submitted, and it still languishes. (It should be noted that the present airport has received no federal assistance since 1959).

Ironically, we have learned FAA gives very low priority to new airports (even though the Mississippi Aeroanutics Commission gives them high priority). It is now apparent that FAA's system of prioritization is such that we would have a better chance of getting federal assistance to make major improvements to our existing site despite the obvious safety problems and our inability to solve them at Barrier Field.

Our airport's problems not only cause nearly 2,000 Yazooans, mostly children, to be exposed to the risk of aviation disaster, its inadequacy has an everyday adverse effect on our local economy. Because the runway is too short and facilities too unsafe, local industries, such as Mississippi Chemical Corporation, base their corporate aircraft in other airports (see attached letter from Tom Parry, president of Mississippi Chemical Corporation). This costs the County's and City's treasuries badly needed tax revenues in this, the second poorest Congressional district in America. Other industries, such as Yazoo Industries, AMCO, and their suppliers, don't use the facility as they would if it were an adequate facility.

The inadequate airport also makes it much harder for us to attract industry. (It should be noted, additionally, the County owns only 14 acres of developable industrial property. Relocation of the airport would provide the county with 90 acres of additional industrial property, immediately, as well as another 100 acres for community uses, such as parks and recreation.)

We believe our situation is meritorious for the use of discretionary funding, and we certainly hope to receive such funding. Moreover, we believe our situation proves Mr. Barfield's point about the fallacy of FAA's policy of giving such low priority to new airports.

STATEMENT OF B. A. FRALLIC, A.A.E., AIRPORT DIRECTOR, PINE BELT REGIONAL AIRPORT

Airport's people in Mississippi are "fairly unanimous" as to the current, negative aspects of deregulation with regard to our small communities. Fares have gone up in the short-haul markets, there have been frequency reductions at some stations as well as flight time problems. However, there is also some concensus that these problems might be short-lived when the State's economy begins to rebound. But, the airport managers are split as to the immediate remedy.

Most of the ten air carrier/commuter airport managers in Mississippi talk about some form of fare re-regulation as the only logical alternative to stabilizing industry pricing. But, a few of us see that control of our air service is strictly dependent on the extent of the community's bargaining power with our carrier, and that regulatory influence at this point would stifle the improvement that had begun. In the case of Laurel-Hattiesburg, we have negotiated competitive fares in 20 of our top 25 markets, and passenger enplanements are growing.

The minority view, then, is that government solutions to air transportation pricing create an artificial, unresponsive market place that substitutes manipulation for leadership, excesses for efficiency, stagnation for innovation and fiscal comfort for competitive risk.

Simply stated, the market must be permitted to operate. For example, the two major carriers in Jackson, i.e., Delta and American, are battling for the west-bound market. This may extend east as American moves into Atlanta. It is healthy and if the Laurel-Hattiesburg community and our carrier, Republic, are properly motivated, both will continue to attract the boardings here at Laurel-Hattiesburg for every market where it matters.

To do so we must work hard, cooperate with Republic and even offer incentives. The degree to which we put forth our effort is an indication of how much we value our carrier and the dollars it creates in the Laurel-Hattiesburg area. Also, the carrier's response is a direct indication of how it values our passenger traffic. No form of Federal Subsidy, or regulation, can succeed like the give-and-take of a willing community and a willing carrier. Should we fail, it will not be because either of us did not try. I believe that market regulation by government, however slight, will only delay inevitable change.

Discriminatory fares are not a result of deregulation, they are a result of regulation. To return to such controls is to step backward toward an out of date, government-based economy. Whether we want to admit it or not, we can no longer afford such regulation and must proceed to ensure early evolution of a market-based fare structure.

To re-regulate is to again face what I term the "pushbutton dilemma". When government pushes one "button", another is affected. The second is linked to a third and so on. Moreover, as economic variations occur, relationships are no longer predictable; we do not know which "buttons" to push, so we create new ones. By example, had the government not pushed the aircraft "capacity control button" years ago, manufacturers would likely be producing a different set of aircraft today. If government had not restricted new entrants, a more effective, competitive, hub and spoke airport system would be in place. But, to illustrate the unpredictable interrelationship issue, the new entrants and different type aircraft would have had a significantly altered impact on airport and ATC capacity. So each "button" affects and interacts with the others. A similar relationship exists for air fares, general aviation development, intermodal competition and other facets of our business.

Government has a leading role in aviation and that is associated with safety. The time has come to insist that it not get involved in market-oriented regulation. The aviation industry is presently offering choices and the window of opportunity will remain open only a brief time. Managements are learning to coalesce in spite of a misguided, "old corps" that continue to be addicted to the Federal trough. Deregulation permits leadership by manufacturers, airport communities, airlines, capitalists and consumers. When each segment of the industry begins giving constant market signals as to the advantages of defending its segment of the industry under competition, the remnants of regulation will subside.

So, as the "prophets of doom" approach Capitol Hill this winter with their claim that fare re-regulation will save us from the dreaded results of competition, I urge the Committee to consider: that just because we were regulated for forty years does not make regulation necessary, or profitable. On the contrary, we must learn to trust the result of our collective decisions and insist that government provide only the order we want, not the layer of bureaucracy that thinks for us. Government should be our common ground, not a burden which oppresses and divides. It should be our framework for delivering the aviation industry product, not the bureaucracy which misdirects our limited resources. It should create the atmosphere for effective management and administration, rather than foster regulation and restriction. Government has its role, but in my opinion it is not in regulation of the aviation marketplace.

Thank you for the opportunity to comment on this issue.

STATEMENT OF PHILLIP A. KOONCE, P.E., PRESIDENT, SOUTHERN DIVISION, MICHAEL BAKER, JR., INC.

On behalf of the Jackson County Airport Authority, Pascagoula, Mississippi, we are pleased to offer our comments regarding funding for general aviation airports by the Federal Aviation Administration.

In a very few years, general aviation has grown from primarily barnstorming flights, stunt flying and pleasure trips to one of the most important modes of air transportation. Unfortunately, there is a legacy from general aviation's earlier days that causes some to typify it as a costly transportation medium reserved for the wealthy. Today, general aviation compares favorably with air cargo, air carrier and other types of air transportation in number of points served and number of passengers enplaned. General aviation airports contribute significantly to the prosperity of a community and are crucial elements in the economic well being and safety of a city, county and region.

Obviously, the role and function of a general aviation airport will differ from one location to another. Leisure travel is but one of the many types of use to which a general aviation airport is put, but it is frequently and erroneously assumed to be the only use. General aviation airports play an important role in business, medical and emergency evacuations, law enforcement, and mail delivery. In addition, in agricultural areas, aircraft are used to spread seeds, fertilizers, and herbicides, and to provide a method for inventory control. Elsewhere, aircraft are used for firefighting and monitoring weather conditions and air quality levels. General aviation airports also stimulates aviation activity, and economic growth; relieves congestion at air carrier airports; and provides alternate emergency landing areas.

The advantages and benefits of air carrier service to a community are often readily apparent. But direct and indirect benefits of general aviation and other airport-related services are sometimes more difficult to assess. A general aviation airport such as the Jackson County Airport generates employment, tax revenues, and increased consumer spending within the area. A recurring consequence of an airport's growth or facility expansion is an increase in the number of local jobs and stimulated economic activity. The Jackson County Airport has long provided for corporate, contractor and executive travel to the area in connection with Ingalls Shipyard, Chevron refinery and the other industries in the area.

Following are some statistics which illustrate the importance of general aviation to America:

- General Aviation serves over 13,000 airports in America.
- Hospitals in America admit approximately 30 million persons annually. As a comparative analysis, general aviation serves more than six times this number of persons.
- There are 28 times as many general aviation airports as there are air carrier airports in America.
- There are 68 times as many general aviation airplanes as there are air carrier airplanes.
- Of the top 1000 U.S. corporations, the ones which own general aviation aircraft have 80% of the total assets.
- An average of 3 general aviation takeoffs and landings occur every second of every day.

Based on this, it is apparent that general aviation is an important link in America's transportation system and funding should be given the highest priority.

We appreciate the opportunity to offer our comments regarding this important matter.

STATEMENT OF GEORGE SINGER, AIRPORT MANAGER, TUPELO MUNICIPAL AIRPORT

THE EFFECT OF THE AIRLINE DEREGULATION ACT OF 1978

ON TUPELO, MS. AIR SERVICE

When the 1978 airline deregulation act became law, Tupelo was one of the communities designated by CAB as an essential air service point, which was served at the time by Southern Airways that merged with North Central Airlines, later to be known as Republic Airlines.

The same airline has provided continuous service to the community ever since without disruption in service, schedules or fares under the old section 406 subsidy program. In September, 1983, the section 406 subsidy program expired and Republic has continued service to this date without resorting to the so called "small community Section 419" subsidy program.

In addition to Republic Airlines, a small commuter, Southeastern Airlines (SEA) also served Tupelo without resorting to subsidy support. (for a period of six months) Thus, Tupelo has enjoyed the benefits of increased schedules, better quality service and equipment, as a result of the Southern-Republic merger, stabilized fare structures as a result of Republic Airlines efforts to retain its feed traffic in a competitive environment, and having had the luxury of more service than the minimum established by CAB due to Republic's efforts on one hand, and the additional commuter service on the other, which is equally true at other Mississippi points where commuters provide service side-by-side with Republic Airlines with no subsidy of any kind.

In our view, the Airline Deregulation Act has had a positive effect on our airservice with a noticably increased difference in quality of service from the pre-deregulated era in terms of schedules, frequency, adequacy, equitable and reasonable fares and a most effective airline response to our needs. As such, consumers of air service had the benefit of not only choice, but quality air service as well as a varied price range.

There is a notion in some quarters that some fine-tuning of the Airline Deregulation Act is in order that would entail re-regulating the airlines in some minor form in the fare structuring areas in order to protect the interests of the small community's air travel ling public from discriminatory fares. We do not subscribe to that notion as from our vantage point the adjustments in the marketplace provide for adequate controls and these perogatives should remain within the perview of the serving airlines who must, of necessity, make strategic market decisions. We feel that.management must have its freedom of decision making the market place based on their best historical data, on the competitive market criteria and the costs involved in providing the service.

Additionally, we do not feel that taxpayer financed subsidy to provide air service to communities, regardless of demonstrated need is justified in an age of open market competition for air service. We feel strongly that where the market forces justify, air services will be provided. Where it does not justify investment due to non-use of the service, communities should not be guaranteed a "right" to air service with federal subsidies. We fail to see, as an example, why taxpayers in New York should subsidize air travel of two passengers per day at a small community in Mississippi at a cost of $430,000 per year, simply because the community has a "right" to air service as mandated by congress in the act. These situations are repeated over and over again throughout the country at various EAS points, at a cost of 40 million dollars annually to the Federal Government, according to CAB reports.

As evidenced in Mississippi, only three of the ten designated EAS points are currently under the Section 419 Subsidy Program. The other seven points are being served without subsidy, with quality air service providing more seats than EAS designated minimums, more scheduled service and at five of the seven points by more than one airline. Accordingly, the evidence is overwhelming that the Airline Deregulation Act of 1978 worked to the advantage of the Mississippi points who enjoy the fruits of open competition with better service in its four-year deregulated history.

It is noted also that in some circles a question is being raised as to the legitimacy of higher fares from a small community as opposed to cheaper fares out of larger airports for the same distances travelled. We find nothing discriminatory in such pricing, as the question of fares is not how much cheaper it costs to fly out of a major airport vs. a small airport, but what is the relationship of the cost of providing the service. The airlines have well documented evidence of the fact that short-haul markets are more expensive to operate than long-haul markets. The fact that airlines provide service below their costs at major hubs where competitive forces are at work for the sake of retaining a foothold in the marketplace is not justificatio for small communities to equalize the fare structures in order that small communities be on the same competitive footings as major hubs. It is simply a matter of geography. In large metropolitan areas, food, shelter, goods, and services are reduced due to the competition and market forces at work that a small community cannot hope to match. In like manner, small communities should not attempt to equalize the fare structures of airline service with those of major airports where competitive forces are at play.

In the case of Tupelo, the attached brochure published as a public service, depicts a most favorable rate structure between Tupelo and other major cities as compated to the fares in the Memphis market.

In summary, we find that the Airline Deregulation Act served the Mississippi communities, and in particular, Tupelo, extremely well and has brought about a better quality air service to the benefit of the consumers During its short four-year history. We also find that the marketplace has adjusted to the new deregulated environment, and as a result, some community fall-out has occured that does not justify the cost of providing guaranteed air service by the Federal Government as the market is simply not there to be developed.

We do not find fares to be discriminatory, nor do we support tinkering with fare structures by the Federal Government in attempting a "little" re-regulation, as proposed by Senator Mark Andrews. In our view, a "little re-regulation" is like being "pregnant a little ." There is no such thing. Pricing and fare structures should remain in the domain of the airlines providing the service AND should be left as management decisions. Nor do we support the notion that airlines be required to file for some specified period of time prior to implementation of fare changes for the government to scrutinize. We also do not support the concept of re-establishment of MANDATORY joint fares in a free enterprise.

In like manner, we cannot support expension of the subsidy program beyond what was the original intent of congress by allocating sums for advertising purposes in order to make better use of the guaranteed air service. On the contrary, we propose a re-evaluation of the subsidized points to determine if subsidy is justified in hopeless markets with a view toward eliminating from the subsidy program communities not deserving of taxpayer support at either end of the scale, i.e., points that are enplaning 80 passengers a day or more which are self-sufficient from the market standpoint to points that are a hopeless cause to ever attaining self-sufficiency as demonstrated in historical boarding records.

Finally, we cannot support any fare equalization schemes that sets different fare levels from one airport to another, regardless of size and cost of services to be provided.

Congressional intent in the free marketplace concept was quite clear in the Airline Deregulation Act of 1978. From our perspective, it has accomplished the intent of Congress and is working well to the advantage of the consumers. Let us not hamstring the airlines with a "little re-regulation" for the benefit of a few at the expense of many.

STATEMENT OF MARY HAWKINS, MAYOR, MADISON, MISS.

We are in receipt of your letter advising of the field hearing set for January 9, 1984 under the auspices of the Subcommittee on Transportation of the Senate's Committee on Appropriations. We welcome this opportunity to present certain issues effecting Bruce Campbell Field located in the Town of Madison.

Bruce Campbell Field is a Metropolitian General Aviation Airport located on the east side of Old Canton Road and within the corporate boundaries of the Town of Madison. The airport was transfered to the Town by the Reconstruction Finance Corporation by deed dated March 5, 1948. The successor of the Reconstruction Finance Corporation for purposes of administration is the Federal Aviation Administration.

The conveyance to the Town of Madison was subject to certain covenants, restrictions and conditions, one of which was that all of such property "... shall be used for public airport purposes,...and without grant or exercise of any exclusive right for use...within the meaning of section 303 of the Civil Aeronautics Act of 1938". Furthermore, no portion of the land could be transferred without the approval of the Civil Aeronautics Administration (FAA). The deed further provided that upon the breach by the Town of Madison of any of the restrictions or reservations contained in the deed, the property would revert to the Reconstruction Finance Corporation or its successor.

Per the terms of the deed, Madison is precluded from selling or leasing the airport property without the consent and concurrence of the Federal Aviation Administration. All proceeds realized from any sale of such property are required to be used for civil aviation purposes.

Effective January 1, 1983, House Bill No. 482 of the Mississippi Legislature became effective. This bill exempted certain aircraft from ad valorem taxes and instituted a registration fee in lieu thereof. This legislation dramatically reduced the tax revenue a municipality might receive from aircraft based at airports within such municipality. As of August 2, 1983, the registration fee returned to the Town was $2,157.17. Ad valorem taxes had been approximatly ten times greater the preceding year. This loss of revenue is compounded by the fact that the successor lessee of Bruce Campbell Field is operating under the terms of a twenty-five year lease which provided that the Town would not receive any rental for use of the airport from December 1, 1981 until the termination of said lease, March 9, 1985. Thus, Madison has in Bruce Campbell Field one of the busiest small airports in Mississippi and is receiving only nominal income to maintain same. The obvious result is that the airport has several areas in need of repair and corrective maintenance.

Madison, therefore, would inquire as to the possibilty of:

1. Enacting special legislation releasing the airport and adjacent land to the Town for the exclusive benefit of the Town and at the Town's discretion; and
2. If failing to have the airport unequivocally released to the Town, the possibility of obtaining 100 per cent grants and other funds for airport improvement.

Presently the Town has exhausted its airport fund in performing certain repairs required by the FAA. Additional improvements are needed. These include:

1. Paving (overlay) of the runway, taxi way and aprons;
2. Installing new runway lights that conform to FAA regulations;
3. Acquiring additional avigation easements to meet present and future airport landing requirements; and
4. Obtaining cooperation from the Natchez Trace Parkway to remove trees located on the Parkway which have grown into the airport's airspace.

Currently, and in the foreseeable furture, Madison will not have the funds or the ability to match any grants necessary to implement the foregoing improvements. Therefore, we respectfully request that the airport be released to the Town clear of any encumbrance or restriction as to its use or to completely fund the foregoing improvements so as to remove a potential source of liability to the Town.

We appreciate the committee's attention and concern.

STATEMENT OF DR. GEORGE BENNETT, DIRECTOR, RASPET FLIGHT RESEARCH LABORATORY, CHAIRMAN, STARKVILLE AIRPORT BOARD

I received your invitation to attend the hearing on small airport support in Jackson on January 9. I was unable to attend, but I would like to address several problems which affect the general aviation airport for the record. I have a rather unique position in chairing the Starkville Airport Board and also serving as Director of Raspet Flight Research Laboratory, Mississippi State University. I am also a private pilot and use a small airplane in business travel both in Mississippi and out of state. From this position I would like to address both the concerns of small airport and the overall general aviation activity. The health of small airports is closely linked to the health of the general aviation community.

The immediate needs of the Starkville Airport, Bryan Field, have been recently satisfied with the funds received from the FAA to seal the airport runway, taxiways, and ramps. We had to go through a special reqqest to avoid a reduction in runway width from 150 ft. to 100 ft. The flight research capabilities of the Raspet Lab would have been compromised by the runway width reduction. The matching funds for Starkville were obtained from a land sale for industrial development.

Through the mutual cooperation of the Starkville and West Point Airport Boards, the Golden Triangle Regional Airport Commission, The FAA, and the U.S. Air Force, a clearance delivery radio is being installed on the West Point Cable TV Tower to serve the Starkville, West Point, Monroe County, and the Golden Triangle Regional Airports with one tranceiver. This installation will greatly improve IFR operations in the area. Local industries (Gulf States, Garan, and Miss. State University in Starkville, Bryan Foods in West Point) contributed a total of $10,500 to pay for the tower lease.

We're still working on Monroe County to pay their fair share. This activity has shown that the airports in our area can work together for the mutual benefit of all, so that's the good news.

Now the bad news. Bryan Field does not have a viable fixed base operator to provide the services needed at the airport. We are not alone with this problem in the area. It appears that the high cost of flying and learning to fly has severely reduced the capability of fixed base operators to survive. Historically, training, service, and sales were conducted at the local level. The Federal support for general aviation has been primarily in the area of facilities development. The needs of the general aviation community may be more complex. It is not obvious that the federal government believes that general aviation activity is clearly in the national interest and therefore should be supported.

The general aviation aircraft manufacturers are in a very depressed state. The reasons for this condition are many:

1. The economic recession has reduced capital outlays.
2. The price of the aircraft has continued to increase.
3. There have not been any significant changes in aircraft performances in the past 20 years, especially for the smaller general aviation aircraft to attract new customers, i.e. justify the high costs.

I am afraid that the general aviation aircraft manufacturers are vulnerable to a large loss of market due to a technology transition just as the automobile industry suffered at the hands of the japanese auto industry.

It is now possible to significantly improve general aircraft performance by substituting new composite materials for the conventional aluminum in the aircraft structure. These aircraft could be lighter, more fuel efficient, and will have outstanding customer appeal. The danger to our industry is that when the fabrication technique must be completely changed, there is an excellent opportunity for new companies to displace the traditional manufacturer because of the reluctance to made the investment while still making money on the old ideas.

This discussion leads to the support of general aviation aircraft development within NASA. For several years NASA supported general aviation research in several areas. Notably absent was support for composite structures applicable to this aircraft class. The current NASA philosophy is to curtail all support for general aviation research. This lack of interest is reflected in the highest levels of NASA management, for example, private sources have quoted Hans Mark, the NASA Associate Director, as saying that he does not think that general aviation has any utility.

New development in electronics can make aircraft safer and increase the utility. The FAA is currently pursuing a high tech, high cost approach which may further decrease the cost effectiveness of general aviation aircraft. There have been options proposed which would uplink data to the pilot and allow him to see what the controller sees, thus improving safety. Also weather data could be uplinked to the pilot to allow him to make intelligent decisions. It is not obvious that all the computations for air traffic control must reside on the ground, as is now planned by the FAA. The FAA, however, has opposed any solutions which do not fit their high cost, high tech approach. Their view seems to be one of where the user must change to support the needs of the system, instead of the system changing to support the needs of the users.

This letter has been a wide-ranging discussion of the needs of the small airport. We need continued support to maintain the airport facilities. We need the recognition that general aviation is a significant factor in conducting business. We need the understanding that the impact of air traffic control policy upon the utility of general aviation aircraft can be large. We need significant support of general aviation aircraft research and development to ensure that the health of the industry and utility to the user remains good. We must protect a high tech industry through support to continue the tradition of unmatched aircraft utility and performance.

Letter From Will Hegman, IV, President, Flight Line, Inc.

The Honorable Thad Cochran
United States Senate
326 Russell Senate Office Building
Washington, D. C. 20510

January 18, 1984

Dear Senator Cochran:

I hope you will afford me the opportunity of letting this letter constitute my statement for the record of the January 9, 1984 Transportation Appropriations Hearing held in Jackson, Mississippi. My company operates 15 commercial aircraft from airports in Mississippi on both a scheduled and a non-scheduled basis. In 1983, our aircraft flew in excess of 6,000 accident-free flight hours or the equivalent of 7,978,810 seat miles. Additionally, Flight Line is active in the National Air Transportation Association, Regional Airline Association, and the National Business Aircraft Association.

In the January 9th Hearing there were three areas of discussion to which I would like to respond: (1) closing of existing Flight Service Stations, (2) Funding for Airports and Airways Improvements and (3) the impact of de-regulation on our National transportation system.

The foresight of your sub-committee in regards to continued funding for the currently existing Flight Service Stations is very much appreciated. I strongly endorse the Automatic Weather Observation System (AWOS). Once AWOS has been installed and is operational system-wide, I can whole-heartily support consolidation of Flight Service Stations. In the meantime, the 250 Flight Service Stations which are currently operational should not be combined.

I hope your sub-committee will exercise the same foresight in Airports and Airways Improvements funding as you have with the Flight Service Stations. The funds have been authorized through the multi-year Airports and Airways Improvements Act. The taxes have been levied against aviation users which will fund needed improvements. Millions of dollars in aviation user taxes have been collecting in the Aviation Trust Fund. Yet, there was a 650 million dollar shortfall in the amount of money appropriated in 1983 to fund needed airport and airway improvements. At the same time, the Government decided it had enough money to underwrite a General Accounting Office study of air taxi and commuter airline safety. The study erroneously reported (see attached NTSB Report) the accident rate for air-carrier aircraft with nine or fewer seats is almost 18 times higher than the rate for large air-carrier aircraft. What the GAO report failed to mention was that over 90 percent of the small aircraft accidents reviewed occurred at other than primary airports (the very airports which lack the facilities and equipment which could be provided if full funding were available). It is imperative that the 650 million dollar shortfall in 1983 be made up in coming years if Congress expects air carriers operating from small community airports to approach the enviable safety record of those carriers operating from primary airports.

The De-Regulation Act of 1978 allows for an efficient national air transportation system using the best suited aircraft for each particular market. For the nation, as a whole, de-regulation has already proved beneficial to the traveling public. In the long-term, de-regulation will be best for Mississippi. Our hard-earned tax dollars should not indefinitely subsidize scheduled air transportation in inefficient aircraft to communities which do not utilize the service. The major challenge to successful implementation of De-Regulation is that the public perception that small aircraft are unsafe be altered. The GAO Report is grossly misleading in this area. The GAO Report did not take into account that less than three percent of all U.S.-registered general aviation aircraft are based in Alaska but almost 33 percent of the air taxi accidents occur in that state. The report also neglected to note that helicopters comprise approximately four percent of the general aviation fleet but were responsible for roughly 24 percent of the air taxi accidents. The true picture is the safety of small commuter aircraft is about 2.1 times - not 18 times - worse than large air carrier aircraft.

The accident rate for air taxi flights is only about 2.5 to 3.0 times higher than scheduled air carriers. When you consider the environment in which commuter/air taxi aircraft fly, which is mainly to and from non-primary airports, small aircraft have an outstanding safety record.

Thanks for your consideration and sound representation.

With highest regards,

Will Hegman, IV

Will Hegman, IV
President

NATIONAL TRANSPORTATION SAFETY BOARD REPORT

FOR IMMEDIATE RELEASE: January 12, 1984

COMMUTER ACCIDENT RATES DOWN SHARPLY IN 1983; MOST OTHERS ALSO DOWN

Commuter carriers achieved sharply lower accident rates for the second successive year in 1983, and most accident rates in all categories of U.S. civil aviation were lower, according to preliminary accident statistics released today by the National Transportation Safety Board.

The commuters -- scheduled carriers operating on short-haul or regional routes -- reduced their accident rates to the lowest levels in the nine years such statistics have been recorded.

U.S. airlines -- carriers operating large aircraft -- completed 1983 without a catastrophic crash of the magnitude of those in Washington, D.C. and Kenner, La. in 1982. The June 2, 1983 crash-landing at Cincinnati that killed 23 persons involved Air Canada.

In scheduled service, the U.S. airline death toll in three fatal accidents last year was 14, and the fatal accident rate was down significantly. The total accident rate, however, increased.

On-demand air taxis posted similarly mixed results, with a slightly lower fatal accident rate but a higher total accident rate.

General aviation -- all other civil flying -- achieved accident totals, fatality totals and rates that all were lower than in 1982.

AIRLINES

In contrast with 1982 when 153 persons died in the July 9 takeoff crash near New Orleans, the highest airline fatality toll last year was 10 in the en route crash on an Air Illinois Hawker-Siddely 748 at Pinckneyville, Illinois. The total of 14 fatalities in all scheduled service was a dramatic reduction in the toll of 235 in 1982.

The airlines' three fatal accidents in scheduled service last year produced a rate of 0.046 fatal accidents per 100,000 aircraft hours flown, or 4.6 per 10 million hours. There were 18 total accidents, however, as compared with 16 in 1982, for a 1983 rate of 0.275 total accidents per 100,000 hours.

COMMUTERS

Commuters had only 17 total accidents, 2 of them fatal, last year. There had been 27 and 5, respectively, in 1982. Fatalities dropped from 14 to 11. The rate of 0.78 total accidents per 100,000 departures -- the rate most often used to measure commuter safety -- was 41 percent lower than in 1982, and the fifth successive annual decline in that rate. The rate of 0.09 fatal accidents per 100,000 departures was a 64 percent reduction from the 1982 rate, and an 82 percent reduction since 1981.

AIR TAXIS

On-demand air taxis had 141 accidents, up from 133 in 1982. Twenty-eight were fatal accidents, a reduction of two, and the fatality toll of 60 was down 10 from 1982. The results were rates of 4.55 total accidents per 100,000 aircraft hours, up 12 percent, and 0.90 fatal accidents per 100,000 hours, down 2 percent.

GENERAL AVIATION

Except for a fractionally lower fatal accident rate in 1979, general aviation last year recorded new lows in every accident total and rate the Safety Board reports. There were 3,091 total accidents, down from 3,216. Fatal accidents dropped from 578 to 548, or 5 percent, and fatalities were down from 1,161 to 1,049.

General aviation's rate of 9.4 total accidents per 100,000 aircraft hours was down 6 percent from 1982, and was the lowest ever. Last year's rate of 1.67 fatal accidents per 100,000 hours was a 7 percent reduction from 1982; only the 1.65 rate in 1979 was lower.

TABLE 1

ACCIDENTS, FATALITIES, AND RATES
AIR CARRIERS AND GENERAL AVIATION
1983 (PRELIMINARY DATA)

	ACCIDENTS					ACCIDENT RATES			
						PER 100,000 AIRCRAFT HOURS		PER 100,000 DEPARTURES	
	TOTAL	FATAL	FATALITIES	AIRCRAFT HOURS FLOWN	DEPARTURES	TOTAL	FATAL	TOTAL	FATAL
AIR CARRIERS									
Air Carriers Operating Under 14 CFR 121									
Scheduled	18	3	14	6,534,000	4,940,000	0.275	0.046	0.364	0.061
Nonscheduled	4	1	7	256,000	122,000	1.563	0.391	3.279	0.820
Air Carriers Operating Under 14 CFR 135									
Scheduled **	17	2	11	1,378,000	2,166,000	1.23	0.15	0.78	0.09
Nonscheduled	141	28	60	3,102,000	*	4.55	0.90	—	—
GENERAL AVIATION +	3091	548	1049	32,766,000	*	9.43	1.67	—	—

+ Includes accidents involving aircraft flown under rules other than 14 CFR 121 and 14 CFR 135.

* Data not avialable.

** Rates are based on all accidents, including those involving operators not reporting traffic data to the CAB. Exposure data estimate sources: CAB and FAA.

TABLE 2

ACCIDENTS, FATALITIES, AND RATES
U.S. AIR CARRIERS OPERATING UNDER 14 CFR 121
ALL SCHEDULED SERVICE
(AIRLINES *)
1974-1983

	ACCIDENTS						ACCIDENT RATES					
							PER MILLION AIRCRAFT-MILES		PER 100,000 AIRCRAFT HOURS		PER 100,000 DEPARTURES	
YEAR	TOTAL	FATAL	FATALITIES	AIRCRAFT MILES FLOWN #	AIRCRAFT HOURS FLOWN #	DEPARTURES #	TOTAL	FATAL	TOTAL	FATAL	TOTAL	FATAL
1974	43	7	460	2,258,136,000	5,474,495	4,725,783	0.019	0.003	0.767	0.110	0.889	0.127
1975	31	2	122	2,240,505,000	5,422,665	4,704,052	0.014	0.001	0.572	0.037	0.659	0.043
1976	22	2	38	2,319,967,000	5,587,601	4,835,138	0.009	0.001	0.394	0.036	0.455	0.041
1977	21	3	78	2,418,652,000	5,800,843	4,934,094	0.009	0.001	0.362	0.052	0.426	0.061
1978	21	5	160	2,520,165,000	6,031,743	5,015,939	0.008	0.002	0.348	0.083	0.419	0.100
1979	24	4	351	2,736,129,000	6,700,322	5,379,852	0.009	0.001	0.358	0.060	0.446	0.074
1980	15	0	0	2,816,303,000	6,797,578	5,352,927	0.005	0.000	0.221	0.000	0.280	0.000
1981	25	4	4	2,703,219,000	6,571,288	5,211,867	0.009	0.001	0.380	0.061	0.480	0.077
1982	16	5	235	2,685,930,000	6,400,377	4,918,207	0.006	0.001	0.234	0.062	0.305	0.081
1983P	18	3	14	2,762,000,000	6,534,000	4,940,000	0.007	0.001	0.275	0.046	0.364	0.061

P Preliminary data.

* Includes accidents involving deregulated all cargo air carriers and commercial operators of large aircraft when those accidents occurred during scheduled 14 CFR 121 operations.

# Exposure data estimate source: CAB

NOTE: Sabotage accidents occurring 9/8/74 and 8/11/82 are included in all computations except rates.

TABLE 3
ACCIDENTS, FATALITIES, AND RATES
U.S. AIR CARRIERS OPERATING UNDER 14 CFR 135
ALL SCHEDULED SERVICE
(COMMUTER AIR CARRIERS #)
1975-1983

YEAR	ACCIDENTS		FATALITIES	AIRCRAFT MILES FLOWN*	AIRCRAFT HOURS FLOWN*	DEPARTURES*	ACCIDENT RATES**					
							PER MILLION AIRCRAFT-MILES		PER 100,000 AIRCRAFT HOURS		PER 100,000 DEPARTURES	
	TOTAL	FATAL					TOTAL	FATAL	TOTAL	FATAL	TOTAL	FATAL
1975	48	12	28	160,465,760	936,312	1,455,563	0.30	0.07	5.13	1.28	3.30	0.82
1976	35	9	27	171,471,894	965,296	1,532,425	0.20	0.05	3.63	0.93	2.28	0.59
1977	44	9	32	201,282,211	1,150,250	1,740,502	0.22	0.04	3.83	0.78	2.53	0.52
1978	61	14	48	226,186,596	1,302,136	1,995,728	0.27	0.06	4.68	1.08	3.06	0.70
1979	52	15	66	192,492,929	1,169,921	1,883,705	0.27	0.08	4.44	1.28	2.76	0.80
1980	38	8	37	192,200,134	1,175,588	1,776,999	0.20	0.04	3.23	0.68	2.14	0.45
1981	31	9	34	193,000,863	1,240,764	1,835,144	0.16	0.05	2.50	0.73	1.69	0.49
1982	27	5	14	222,355,000	1,300,000	2,027,000	0.12	0.02	2.08	0.38	1.33	0.25
1983P	17	2	11	234,029,000	1,378,000	2,166,000	0.07	0.01	1.23	0.15	0.78	0.09

P Preliminary data.

* Exposure data estimates from CAB.

** Rates are based on all accidents including some involving operators not reporting traffic data to the CAB.

# Includes accidents involving all-cargo air carriers when those accidents occurred during 14 CFR 135 operations. All cargo air carriers no longer meet the CAB definition for "Commuters". May also include accidents involving carriers whose FAA operating specifications permit scheduled revenue operations under 14 CFR 135, but who have not received a CAB fitness determination.

TABLE 4

ACCIDENTS, FATALITIES, AND RATES
U.S. AIR CARRIERS OPERATING UNDER 14 CFR 135
NONSCHEDULED OPERATIONS
(ON-DEMAND AIR TAXIS)
1975-1983

	ACCIDENTS				ACCIDENT RATES PER 100,000 AIRCRAFT HOURS	
YEAR	TOTAL	FATAL	FATALITIES	AIRCRAFT HOURS FLOWN*	TOTAL	FATAL
1975	152	24	69	2,526,271	6.02	0.95
1976	137	31	100	2,703,203	5.07	1.15
1977	158	31	118	3,304,220	4.78	0.94
1978	198	54	155	3,545,753	5.58	1.52
1979	160	30	77	3,684,321	4.34	0.81
1980	170	45	103	3,617,724	4.70	1.24
1981	157	40	94	2,895,827	5.42	1.38
1982	133	30	70	3,256,763	4.08	0.92
1983P	141	28	60	3,102,000	4.55	0.90

P Preliminary   * Source of estimate: FAA

TABLE 5

ACCIDENTS, FATALITIES, AND RATES
U.S. GENERAL AVIATION +
1974-1983

	ACCIDENTS				ACCIDENT RATES * PER 100,000 AIRCRAFT HOURS	
YEAR	TOTAL	FATAL	FATALITIES#	** AIRCRAFT HOURS FLOWN	TOTAL	FATAL
1974	4234	689	1327	27,773,500	15.2	2.47
1975	4001	636	1258	28,799,000	13.9	2.20
1976	4023	662	1226	30,476,000	13.2	2.17
1977	4083	663	1280	31,577,508	12.9	2.10
1978	4218	721	1558	34,887,178	12.1	2.06
1979	3825	638	1237	38,641,268	9.9	1.65
1980	3597	622	1252	36,401,663	9.9	1.71
1981	3502	654	1282	36,803,200	9.5	1.78
1982	3216	578	1161	32,094,623	10.0	1.79
1983P	3091	548	1049	32,766,000	9.4	1.67

P Preliminary data.

+ All operations other than those operated under 14 CFR 121 and 14 CFR 135.

* Suicide/sabotage accidents included in all computations except rates (1974 - 2, 1975 - 2, 1976 - 4, 1977 - 1, 1978 - 2, 1979 - 0, 1980 - 1, 1981 - 0, 1982 - 3)

# Includes air carrier fatalities when in collision with General Aviation aircraft.

** Source of estimate: FAA

TABLE 6

FATAL ACCIDENTS AND FATALITIES
U.S. AIR CARRIERS OPERATING UNDER 14 CFR 121
ALL SCHEDULED SERVICE
(AIRLINES)
1983 (PRELIMINARY DATA)

DATE	LOCATION	OPERATOR	SERVICE	AIRCRAFT	FATALITIES PSGR	CREW	OTHER	TOTAL	TOTAL ABOARD	REPORTED TYPE OF ACCIDENT
1/9	Brainerd, MN	Republic Airlines	Pasg	Convair 640	1	0	0	1	36	Struck snowbank during landing. Propeller separated from engine and penetrated cabin, fatally injuring passenger.
1/11	Detroit, MI	United Airlines	Cargo	DC-8	0	3	0	3	3	Crashed shortly after takeoff.
10/11	Pinckneyville, IL	Air Illinois	Pasg	Hawker Siddely 748	7	3	0	10	10	Collided with terrain following electrical failure.

TABLE 7

FATAL ACCIDENTS AND FATALITIES
U.S. AIR CARRIERS OPERATING UNDER 14 CFR 135
ALL SCHEDULED SERVICE
(COMMUTER AIR CARRIERS)
1983 (PRELIMINARY DATA)

DATE	LOCATION	OPERATOR	SERVICE	AIRCRAFT	FATALITIES PSGR	CREW	OTHER	TOTAL	TOTAL ABOARD	REPORTED TYPE OF ACCIDENT
1/9	San Francisco, CA	Wings West Airlines	Pasg	Beech C-99	0	0	1	1	10	Ground crewman walked into propeller.
8/17	Peach Springs, AZ	Las Vegas Airlines	Pasg	Piper PA-31	9	1	0	10	10	Struck wall of the grand canyon while sightseeing.

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

STATEMENT OF JEFFREY N. SHANE, DEPUTY ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS, DEPARTMENT OF TRANSPORTATION

ACCOMPANIED BY:

WILLIAM F. SHEA, ASSOCIATE ADMINISTRATOR FOR AIRPORTS, FEDERAL AVIATION ADMINISTRATION

JONATHAN HOWE, DIRECTOR OF SOUTHERN REGION

NEWTON TAYLOR, MANAGER OF AIRPORTS DISTRICT OFFICE, JACKSON, MISS.

WILLIAM McGILL, MANAGER, AIRPORT DIVISION, SOUTHERN REGION

INTRODUCTION OF WITNESSES

Senator ANDREWS. The subcommittee will come to order. We will resume the consideration. We now have the panel of Federal representatives. We certainly appreciate your coming.

On the panel, of course, I will introduce Jeffrey Shane. He is representing his boss Elizabeth Dole. The Secretary of Transportation sends her regrets that she couldn't be here. Mr. Shane is the Deputy Assistant Secretary for Policy and International Affairs. He handles transportation deregulation, essential air service, CAB sunset, and a host of other things. I will introduce the other witness accompanying him. But again, let me point out, that he will present his statement; and when we have his statement and the statement of the others, then we will move on to questions and answers.

Mr. Secretary.

Mr. SHANE. Thank you, Mr. Chairman. I would like to introduce Mr. William F. Shea, who is Associate Administrator for Airports, Federal Aviation Administration. We are accompanied as well by Jonathan Howe, to my left, Director of the FAA's Southern Region; Mr. Newton Taylor, Manager of the Airport District Office in Jackson; and Mr. Bill McGill, to my immediate right, who is Manager of the Airport Division of FAA's Southern Region.

I am pleased to be here today to represent the Department of Transportation's assessment of the aviation industry under deregulation.

DEREGULATION

The major changes in industry structure since deregulation have been the growth of the incumbent national and regional carriers and the entry of new carriers. Regional and commuter carrier traffic grew by 20 percent in 1982; revenue passenger miles by 26 percent; and air cargo by 11 percent. New entrants generally have significantly lower operating costs than carriers which were operating prior to 1978. This is due to lower wage scales, more flexible work rules, and the lack of various other preexisting restrictions which hamper prederegulation carriers. Thus they have stimulated travel through aggressive and innovative pricing approaches throughout the industry, giving consumers a far wider choice of fares, particularly low fares, than they had under deregulation.

Service to cities of different sizes is also an important issue in airline deregulation. There have been two main changes in this area. Between September 1978 and September 1983, the number of scheduled departures has increased at large hubs by 17.4 percent, at medium hubs by 22.8 percent, and at small hubs by 11 percent, while departures increased slightly at nonhubs by a factor of 0.6 percent. The change in activity at nonhubs is composed of decreased flights from nonhubs to small hubs and other nonhubs on the one hand, but service from nonhubs to large and medium hubs is up somewhat.

In general, these changes reflect carrier efforts to establish efficient networks by concentrating on hub-and-spoke operations. Although some nonhubs have seen decreases in total departures, their increased service to medium and large hubs provides them better overall access to air transportation through a multitude of connecting opportunities at large- and medium-hub airports.

ESSENTIAL AIR SERVICE

The second significant change regarding small communities relates to the Essential Air Service program. This program insures that all communities receiving certificated air service on the date of the enactment of the Airline Deregulation Act will continue to be served through 1988. This contrasts with the period 1960 to 1976 when all service to 173 communities, including Clarksdale and Corinth in Mississippi, was dropped by certificated airlines. Although major carriers are now permitted to withdraw from communities, they have been replaced by smaller carriers. These replacement carriers have usually been able to provide more frequent service through the use of smaller aircraft more suited to the traffic and service needs. In fact, in the 166 communities where the majors and nationals dropped service since deregulation, total departures increased by 12 percent due to increased operations by regional and commuter airlines.

The Essential Air Service guaranteed under section 419 of the Airline Deregulation Act and currently administered by the Civil Aeronautics Board is an important part of the transition from a regulated air carrier market to the more competitive economic environment of today. We believe the program is accomplishing what Congress intended. The projected fiscal 1984 program costs of nearly $51 million will support scheduled air carrier service at a projected 145 points. While we are continuing to work on the mechanics of the transition process, the Department of Transportation does not expect to make any major changes in the program when it is transferred to DOT after the sunset of the CAB.

It is our understanding that here in Mississippi, 10 points have had EAS determinations as required by section 419. Three points—University-Oxford, Greenwood, and Natchez—are currently receiving subsidized service under the EAS program and would in all likelihood not be served by scheduled carriers in the absence of the program. The University-Oxford and Greenwood points together require an annual subsidy of about $425,000 and enplane an average of five passengers per day. This is an average subsidy per enplaned passenger of about $150. The State of Mississippi, as we heard earlier today, has contacted the CAB to discuss how the situation might be improved from the perspective of both service and program costs.

"USE OR LOSE" EXPERIMENT

Currently, the Board is considering a new approach to Essential Air Service structured around a "use it or lose it" test. The Board is involved in discussions with representatives of the University-Oxford and Greenwood communities to work out the details of a "use it or lose it" test for these two points. Under this new concept the Board would subsidize a higher level of service for a specified period of time in order to test the response of the community to better airline service. If at the end of the test the experiment fails, the community would relinquish its right to guaranteed air carrier service. The question of what constitutes a success has to be worked out by the Board and the communities beforehand. Although there are some legal issues regarding the test that are being reviewed by the Board, this is clearly an imaginative approach to the question of what might be done to improve service while controlling subsidy requirements.

In summary, I believe a compelling case for deregulation is being made in the marketplace. Secretary Dole has asked me to convey to the committee her own strong and personal commitment to airline deregulation. We believe there should be no turning back.

Mr. Chairman and Senator Cochran, that concludes my formal remarks. I would like to amplify just one element. I believe Mr. Barfield expressed concern about the survival of the Essential Air Service program after its transition to the Department of Transportation at the end of this year. I just want to assure him, as well as the committee and the people of Mississippi, that there should be no fear about the survival of the EAS program for its statutory duration. I just spent a good part of this weekend in conference with a group of other DOT staff members for the express purpose of looking at CAB manning tables both in the EAS program itself as well as all the other programs in order to launch the final stage of our planning for the sunset process.

There is no doubt that one of the strongest elements of the CAB is the Essential Air Services staff within the Bureau of Domestic Aviation. And as I indicated in my prepared statement, we do not anticipate at this point that there will be any significant change in the way that program is conducted. Nor, I should say, do we anticipate there will be any significant change in the personnel operating that program, all of whom have gotten very high marks from the communities that they have worked with throughout the duration of the program. So with that I will conclude my remarks and reintroduce Mr. Shea.

AIRPORT IMPROVEMENT PROGRAM

Mr. SHEA. Mr. Chairman, Senator, it's a pleasure to be here with you. I am going to paraphrase some of my documentation here since my prepared statement has been submitted for the record for today's hearing. The airport improvement program has increased steadily from the $450 million authorized in the fiscal year 1982 to slightly more than $1 billion in the fiscal year 1987. The act provides for four categories of airports which are commercial service, primary airports, reliever airports, and other airports. And certainly during previous testimony all the data has been well idenuified, certainly by Mr. Barfield identifying the various parts of the program and also the amounts that are allocated throughout the program.

Relative to the AIP program here in Mississippi, in fiscal year 1982 there were a total of nine airports in the State of Mississippi which received grants from the FAA. These grants totaled $4.39 million and in fiscal year 1983 the FAA was able to fund 21 projects in Mississippi. Because of an increase in the airport improvement program authorization level, we were able to increase substantially the amount of grants provided to airports in Mississippi; in fact, the $8.84 million in grants more than doubled the 1982 amount.

This fiscal year as of mid-December we have made allocations for 12 projects, including an amendment to add 1984 funds to a 1983 multiyear grant for more than $3.44 million. Therefore, our allocations have already exceeded the aggregate of the $1.13 million called for in this year's State apportionment and the $1.75 million apportioned for the State's primary airports. We also have on hand preapplications for 35 projects which are under consideration by the FAA. Additional projects may be funded as funds become available during the remainder of this fiscal year. And you will be pleased to know, I am sure, that although aviation activity consitutes 1 percent of the national total, discretionary funding to airports within the State has averaged 1.6 percent of the national total over the last few years.

SMALL AIRPORT GRANTS

A couple of other things I think too that— recognizing that the formal testimony will be submitted for the record—there was a lot of discussion prior to this testimony relative to the importance of small airports. The current program authorization for airport grants from fiscal years 1982 to 1987 is over $5.26 billion. And this compares to the $4.46 billion for the prior 11-year period, 1971 through 1981.

In looking at the low-activity airports in the system that we use, one other point is that the airports with less than 20 based aircraft or having

8,000 or less itinerant operations obviously are eligible for competition for runway reconstruction work. And such work has a priority of 8 in our system and we allow the regions flexibility to fund general aviation projects. We are working with a finite resource, there are only so many dollars, in our airport improvement program. There is limited use in some areas. Where you allocate the funding for the largest amount for those populated areas to provide a response, an aviation response is indeed clearly identified.

Mr. Chairman and Senator, I wish to complete my remarks to you this morning.

Senator ANDREWS. Thank you very much. We will insert your prepared statement in the record.

[The statement follows:]

STATEMENT OF WILLIAM SHEA

I am Bill Shea, FAA's Associate Administrator for Airports. Accompanying me is Jonathan Howe, FAA's Southern Region Director. We are pleased to be here, today, to discuss aviation issues in the State of Mississippi, notably the contributions to airport development made possible by the Airport and Airway Improvement Act which was passed by the Congress in 1982.

The State of Mississippi plays an important role in our Nation's air transportation system, and, conversely, air transportation is important to promoting the growth of commerce within Mississippi. The FAA estimates that, in 1982, there were 2,252 active aircraft based in Mississippi, accounting for slightly more than 1% of the Nation's total active aircraft. These aircraft were flown about 373,000 hours in 1982, representing about 1% of the national total. Our statistics also show an estimated 5,135 pilots in Mississippi, which is about 0.7% of the total number of pilots in the United States. Looking ahead into the next decade, we see a continued increase in aviation activity in Mississippi, paralleling fairly closely anticipated aviation growth in the United States generally.

Before discussing the specifics of the Airport Improvement Program in Mississippi, I would like to take a few moments to describe the framework of the Airport and Airway Improvement Act of 1982. This Act, which is the successor to the Airport and Airway Development Act of 1970, provides for significantly more funding for airport development work than the earlier Act. Amounts authorized for the Airport Improvement Program increase steadily from the $450 million authorized in Fiscal Year 1982 to slightly more than $1 billion in Fiscal Year 1987.

The Act provides for four categories of airports eligible for funding: Commercial Service Airports; Primary Airports; Reliever Airports; and "Other" Airports. A commercial service airport is a publicly owned airport which enplanes 2,500 or more passengers annually and receives scheduled service. A primary airport is a commercial service airport which enplanes .01% or more of the total number of passengers enplaned annually. To qualify, an airport has to enplane approximately 30,000 passengers annually. A reliever airport is an airport which has the function of relieving congestion at a commercial service airport and providing more general aviation access to the overall community. The remaining airports falling into the "other" category are typically referred to as general aviation airports.

The distribution of funds--or the apportionment of funds, as it is called--is done in accordance with a formula specified in the Act. Under this formula, not more than 50% of the funds are apportioned to the owners or operators of primary airports, with each such apportionment based upon the number of passengers enplaning at that airport. Each primary airport is apportioned at least $200,000, and the money apportioned to an airport may be used for eligible projects during the fiscal year it is first authorized or for the two fiscal years immediately thereafter. Also, 12% of the funds are apportioned for use within the States and Insular Areas (the amount made available to airports in each State being based upon a population/proportion of Federal land formula). The remainder of the funds authorized for the Airport Improvement Program are discretionary but are used to assure that the following legislated minimums are satisfied: 10% for reliever airports; 8% for noise compatibility projects; 5.5% for commercial service airports (other than primary airports); and 1% for integrated system plans. The remaining approximately 13.5% can be used for any priority projects designated by the FAA.

Eligible development projects may include facilities and equipment associated with the construction, improvement, or repair (other than routine maintenance) of an airport. Typical kinds of work items include: land acquisition; construction or repair of runways, taxiways, aprons, or roads within airport boundaries; construction and installation of lighting utilities; safety equipment required for certification of an airport facility; security equipment required by FAA rule or regulation; and site preparation. Limited terminal development work may be authorized but grants may not be made for the construction of hangars, parking areas for automobiles, or for buildings not related to the safety of persons on the airport. Grants are made to the owner or operator of the airport, who is referred to as the sponsor.

The usual first step in the grant process is the filing of a preapplication by the sponsor with the FAA. The FAA reviews the preapplication for compliance with requirements and considers its funding priority. If the FAA approves the proposed project, the FAA issues a Notice of Allocation, specifying the work items designated for inclusion in the program and the amount of funds being reserved for those items. This notice provides reasonable assurance to the sponsor that the project will receive Federal funding, and allows the sponsor to proceed with the preparation of plans and specifications and the procurement of necessary contractor services. The application is usually submitted to the FAA after the cost of the project has been refined. If the application is satisfactory, FAA issues a grant offer to the sponsor. The grant made by the FAA is based upon the amount contained in the application and is generally about the same as specified in the Notice of Allocation. The offer outlines the work to be accomplished, the United States' share of the project, and the maximum obligation of the United States. Acceptance by the sponsor of the offer completes the grant agreement.

In the field, the grant program is primarily administered through Airport District Offices. For the eight states encompassed in the Southern Region there are four such offices. One of these Airport District Offices is located here in Jackson and is responsible for airport programs in Mississippi and Alabama.

Having described the general framework for the Airport Improvement Program, let me take a moment to relate this program to airports in Mississippi. In Fiscal Year 1982, there were a total of 9 airports in the State of Mississippi which received grants from the FAA. These grants totalled $4.39 million. In Fiscal Year 1983, the FAA was able to fund 21 projects in Mississippi. Because of an increase in the Airport Improvement Program authorization level, we were able to increase substantially the amount of grants provided airports in Mississippi; in fact, the $8.84 million in grants more than doubled the 1982 amount. This Fiscal Year, as of mid-December, we have made allocations for 12 projects, including an amendment to add 1984 funds to a 1983 multi-year grant, for more than $3.44 million. Therefore, our allocations have already exceeded the aggregate of the $1.13 million called for in this year's State apportionment and the $1.75 million apportioned for the State's primary airports. We, also, have on hand preapplications for 35 projects which are under consideration by the FAA. Additional projects may be funded as funds become available during the remainder of this Fiscal Year. You will be pleased to know, I am sure, that, although aviation activity in Mississippi constitutes about one percent of the national total, discretionary funding to airports within the State has averaged 1.6% of the national total over the past two years.

Before closing, Mr. Chairman, I would like to touch on two other subjects of interest to the Subcommittee. The first concerns the status of an instrument landing system for Oxford, Mississippi. An FAA representative met with the Airport Manager on November 22, 1983 to discuss the project. The ILS equipment is scheduled to be available in late 1984 or early 1985, at which time the system will be installed. The Airport Manager was advised, however, that it might be possible to improve the schedule if equipment becomes available from another site where the sponsor has not met its responsibilities for runway approach clearances.

Second, we know that there is substantial interest in the selection of a site for the State's automated flight service station. While we are still a long way off from any site selection since we just held the Area Flight Plan meeting on November 1, 1983, we do expect to receive initial offers by January 16. Based on offers received, we will proceed with the site selection process.

IMPACT OF DEREGULATION

Senator ANDREWS. The Secretary of Transportation estimated that the air service in my State had decreased 12 percent since deregulation. The chairman of the CAB testified before our subcommittee last year that about one-half of the 48 contiguous States had decreased service. Your statistics today would indicate that service is up, enplanements are up at all the airports except the nonhub airports. What statistics on service does the Department of Transportation have for the Nation as a whole and what specifically has been the experience for Mississippi? We heard testimony earlier on from the people right out here in Mississippi of different airlines canceling flights out of the key cities in Mississippi and now you come in and tell us that all is wonderful, that things are going up. Now, have you got some kind of special Alice in Wonderland star dust that you put on these statistics? I would hesitate to say that the people in Mississippi don't know what they are talking about in their own State, and they say the service is down.

Mr. SHANE. I would certainly share that hesitation, Mr. Chairman. As you know, you can run the statistics in a variety of different ways. What I was giving you in my prepared remarks——

Senator ANDREWS. In other words, you agree with me that the people in Mississippi are probably more accurate than you are?

Mr. SHANE. Mr. Chairman, I was giving you national aggregate figures in my prepared remarks. I have specific figures for Mississippi, which has not shared the aggregate experience to the same extent as a variety of other States have. To be specific, in the 11 points that had certificated air service in 1978, that is to say the 11 points which are required to have essential air service under section 419 of the Federal Aviation Act, there was a net decline of 23 percent in the number of departures.

Senator ANDREWS. You know, that's interesting because they say 12 percent down in North Dakota. And you get into a specific State and it's 23 percent and Mississippi is down, yet your aggregates there seem to come up and tell everyone that everything is just wonderful.

Mr. SHANE. Mr. Chairman, 36 States throughout the country, had increases in the number of weekly departures from certificated points since before the airline deregulation act. One State had no change. There were decreases in 11 States, including both North Dakota and Mississippi.

FARE POLICY

Senator ANDREWS. Now, our witnesses today have explained that the traffic has been siphoned from the smaller airports, the airports in Mississippi. It would appear that people are driving to Memphis and to some other hubs in order to enjoy the competitive fares of that hub. What kind of a national transportation system have we created when citizens have a Hobson's choice of either paying through the nose fares that they can't hardly afford or a long drive to a more favored airport? Is this the national transportation system that we really want to see?

Mr. SHANE. At the present time it is. I think we are in a transitional process during which we expect to see a variety of new carriers come in, new forms of aircraft, new patterns of air service. Now, I listened with great concern to the witnesses that preceded us this morning and it is not, it seems to me, a happy result when, in fact, passengers are not able to get the kind of air service in their specific community that they would like to get. However, the fact remains that the cost of providing that air service is substantially higher than it is from large hub airports. You, Mr. Chairman, used the figure—which you said you received from the airlines—of a differential of about 10 percent between the cost of providing service at small communities and the cost of providing that service at larger communities.

Senator ANDREWS. No; I said it costs about 10 percent a mile more to fly a short route segment than to fly a long route segment. The figures assume that you are going to get an adequate load. You don't put a 727 into an airport in Jackson or Fargo, N. Dak., without getting an adequate load factor. But it's idiotic to get on a 727 in Jackson and pay more to fly to Atlanta than somebody getting on a 727 in one of the more favored cities has to pay to fly three times that distance if the load factors are the same. That's the problem.

Mr. SHANE. Well, entrepreneurs in every business are familiar with the concept of volume discount. The CAB studied the cost of providing air services in a report they did last year or the year before and the differentials that they showed in the cost of providing service from those hubs that support the use of wide-bodied aircraft, for example, and the cost of providing it at smaller cities which cannot support wide-bodied service was a differential on the order of a factor of two, three, or four times. It appears that there is some serious question, if we are getting different reports, about the exact size of this differential. All the information that we have is that the costs that are being borne right now by passengers in the smaller cities are reflecting more accurately the cost of providing that service.

Now, it also stands to reason that if, in fact, there is a tremendous amount of demand not being met adequately in smaller cities, that traffic does, in fact, represent feed to large hubs. Any air carrier that's operating a trunk service from a large hub to the rest of the country ought to be able to figure out a way to encourage that feed to come in and do so at an attractive rate. The experience of the communities in Mississippi that have been represented here this morning does not appear to reflect that as yet. We are hoping that before this transition period is out the process will have rationalized itself to the point where people are, in fact, getting the attractive service that we anticipated in keeping with the actual economic cost of providing that service.

FARE DISCRIMINATION

Senator ANDREWS. Of course, years ago the reason for regulating railroads was that there were some captive shippers out there and it was found at the turn of the century that these people who lived in certain small towns—I would imagine a number of small towns or cities in Mississippi were affected the same way as they were in our area, the upper Midwest—and they went into railroad regulation to protect those captive shippers who had to live where they were living; and if they had to pay five times as much to move their lumber or their grain or their products, they were really being discriminated against.

Today you have the same kind of captive traveler; and if airline *x* can charge that captive traveler to get out of Jackson, Miss., or Fargo, N. Dak., considerably more than it actually costs to fly that relatively full 727 on that particular leg, then they can use and do, in fact, use it. It would appear to me and the members of this committee and some other people around this country, that they are using that fare balloon to subsidize the travelers from some other more favored markets. In fact, we have even been told that it turns out that 75 percent of the people that go buy an airline ticket today are subsidizing the travel of 25 percent.

If you happen to live in New York and you want to fly to Miami, you can sure get a great rate. But if you live in Jackson, Miss., and you want to go to Miami, the rate isn't so great I understand. Now, how do we justify that? How do we get back—and if fares actually reflect costs, why are the airlines in such bad straits? Why are so many of them bordering on bankruptcy? I am told by people in the airline industry that every time they put a fare boost into a small area, a small community or get a wage cut on the part of their employees, they then go out and get into some foolish fare cutting fight on a certain market that promotes those fares way below the cost of operation. How do we protect them from themselves and incidentally take care of the incidental traveler who might not happen to live in the favored fare cities?

Mr. SHANE. With respect to your suggestion that we are in a situation similar to that we faced with the railroads in the captive shipper scenario, I would suggest that we have one important difference in the airline industry and that is that we now have the genuine threat of competition, the genuine threat of new entrants coming in and providing more attractive service to the people that are not satisfied with the service provided by an incumbent carrier. That certainly was not the case with the railroads where the cost of fixed plant and such was prohibitive and created a genuine captive shipper.

We have seen, in many cases where a carrier has provided inadequate service, another carrier sees an opportunity there, comes in and provides more attractive service. The less attractive carrier then is forced either to leave the market or to improve service to the point where he remains in the market but as a viable competitor.

CROSS SUBSIDIES

The Department of Transportation is not administering the Essential Air Services program now and so I can only speak with secondhand knowledge of the CAB's experience. There is significant experience in the review of the costs of providing local air service through the subsidy program under section 419 and I would respectfully suggest that if, in fact, there was any hint that revenue from the residents of smaller communities was being used by the carriers providing that service to subsidize services they provide for larger markets, the CAB would be the first to know it. And the CAB has not come up with such a suggestion. Where there is no subsidy and therefore no particular review of the pricing practices of the airlines in markets, then we simply don't know at this point what is taking place.

Senator ANDREWS. You have a lot more faith in the perception and the sensitivity of the CAB than I feel.

Mr. SHANE. I didn't hear your remark.

Senator ANDREWS. I said you put a whale of a lot more faith in the perception and the sensitivity of CAB than I do. I think they have their heads in the sand and have had for quite some time.

Mr. SHANE. I am only talking now, Mr. Chairman, about the Essential Air Services program, where it's not necessary to characterize the folks there as having or not having any perception or sensitivity. They have a statutory responsibility.

MISSISSIPPI AIR SERVICE

Senator ANDREWS. They have a statutory responsibility; but the hearings earlier have shown that Delta has pulled out of Meridian, that Delta has pulled out of its Jackson-New Orleans route, that Republic no longer gives service from Jackson to Memphis or from Jackson to Atlanta, that Republic has pulled out of Greenwood, that Republic has pulled out of University-Oxford, that Frontier dropped its Jackson to Denver service. I might add how long, Mr. Secretary? We have had 5 years for this replacement service to come in and all we have developed so far today is major airline service pulling out of the State of Mississippi and not having been replaced except by the highly subsidized smaller carrier, the commuter carriers about which there is a great question of fitness from the standpoint of safety. The Wall Street Journal on January 6 carried an article about air safety standards found less stringent for smaller aircraft. What you are doing is telling the people, the good folks in Mississippi, that they have to get in their automobiles and drive 250 or 300 miles to go to Memphis to get on a plane. Is that desirable?

Mr. SHANE. We are not telling anybody anything. The airlines are not providing the service——

Senator ANDREWS. No; but your actions are in effect directing them; and they might not be the captive shipper because they don't have to get it on rails and they do have the right to get in their car and drive 250 miles, but I think that's a heck of a way to set up a national airline program.

Mr. SHANE. Again, in the State of Mississippi the 11 certificated points that were receiving service in 1978 are receiving service today. Only three of those points, Mr. Chairman, are requiring subsidy. Prior to the Airline Deregulation Act, it's useful to point out, two communities in Mississippi lost service from certificated air carriers. I am referring to Clarksdale and Corinth. It's not entirely clear at all that carriers are not coming in to replace these larger trunk carriers that have departed. In fact, it was entirely anticipated when the Airline Deregulation Act was passed that, in order to rationalize the air transport system in this country, perhaps the large carriers operating excessively large aircraft into relatively small communities needed to go somewhere else in order to open the way for more frequent, more cost-effective service to the people in the small communities. We are still, as I say, in a transitional period and I am personally hesitant to draw conclusions from the experience of the last 5 years.

FARE EQUITY

Senator ANDREWS. Well, reregulation is a nasty word. I prefer to describe my preference as fare equity legislation. And what we are trying to do more than anything else is to make sure that, in effect, we have competitive bidding.

Every phase of government calls out for competitive bidding. If there is no competitive bidding for the service out of Jackson, Miss., or Fargo, N. Dak., essentially you have to have a line operating in there and they can charge whatever the traffic will bear unless another airline comes in and provides the competition. And for quite some time it cost more to fly from Fargo to Minneapolis than it cost to fly from Minneapolis to New York or to Washington, a distance of four times as much.

I am being told now that it costs more to fly from Jackson to Atlanta than it costs to fly four times as far on other segments of the same carrier. That's not equity. That's not competitive bidding. That's not fairness to the people who live in Jackson or in my hometown. And if we have to move toward legislation in the name of fare equity, maybe we ought to call it that instead of reregulation. But I don't see how you can claim after 5 years that this so-called competitive market is going to assert itself and somehow or other the people of Mississippi who have, according to testimony earlier today, done nothing but lose service are going to begin to see that service come back at a fair price.

MARKETING

Mr. SHANE. Well, I was very interested in the remarks about whether or not the subsidy being provided to the three communities in Mississippi, in particular, was being used properly for all elements of the service, including the marketing element. My understanding is that it's the Civil Aeronautics Board, through regulations issued under section 419, that prescribes the elements that go into the determination of the subsidy level. Marketing is a terribly important part of the airline business, and increasingly so since deregulation. If, in fact, one of the reasons we are not seeing the quality of service to the communities in Mississippi that we would like to see, and if, in fact, the complaint is there hasn't been adequate marketing of that service, then we really haven't had a fair test of the system that we are trying to implement.

Now, again, the Department of Transportation doesn't have jurisdiction over the EAS program yet. We receive it at the end of this year and certainly one of the elements that we would want to look at very carefully is the extent to which, particularly when we have Federal dollars in a particular service, that service is being marketed in the way a sensible businessman would do in order to insure that there is some prospect of success. I can't talk to that particular element right now simply because, as I say, we don't have firsthand experience implementing the program ourselves.

Senator ANDREWS. I would like to turn to Senator Cochran now for questioning since obviously this hearing consists of questions specific to his State which he knows far better than I do and it's an opportunity to have you gentlemen here testifying from the top levels of the Federal Government transportation structure on how your policies do, in effect, impact on the traveling public in small States like North Dakota, Mississippi, and South Dakota and a whole host of other places. I would like to refer to my esteemed colleague, Senator Cochran, at this point to continue with the discussion and I may have a few questions at the end.

AIRPORT GRANT CRITERIA

Senator COCHRAN. Thank you, Mr. Chairman. I am very concerned about the criteria that is being used to determine the eligiblility for funding under the airport improvement program of applications from States like Mississippi and North Dakota where you have a basic agricultural economy, a lot of small towns but where airports are essential to the economic development of the region. What about this program criteria?

You establish priorities at the preapplication stage, I understand, but the criteria virtually eliminates a lot of our small airports from consideration. What hope can we give to those communities who are trying to get funding for important projects, whether it's expanding a facility, lengthening a runway, or trying to make the airport safer or even in a couple of cases like Yazoo City and Pascagoula, building a new airport where you cannot expand, you can't make the airport safer because of the circumstances? What's our answer to that?

Mr. SHEA. Senator, may I respond, sir, by making some general remarks. The specific ones to Mississippi airports I would refer to Mr. McGill. Basically the program has worked very well. The airport improvement program has worked very well and has a solid track record, and we do the best that we can with the resources that are available. It's kind of a finite resource that's limited, again, looking at the demands on the system and particularly on the airports themselves.

We do have flexibility. Yes; we have criteria established and an allocation system and a funding program. We look at safety and security matters. We look at the reconstruction of facilities, bringing the airports up to standards, capacity, particularly capacity improvements, and even new airports. We recognize the importance of small airports as they are a part of the national airport system and, although we do have criteria for the allocation process, we have flexibility for the regions and the airport district office to work with.

MISSISSIPPI AIRPORTS

Now, in the case of airports in the State of Mississippi, Mr. Taylor is a strong advocate of airports in this area. I know that in reviewing the various airports in the State system plan mentioned earlier by Mr. Barfield, he is doing the very best that can possibly be done to see that the funding is made available. Relative to the specific airports, I would refer to my colleagues Mr. McGill and Mr. Taylor.

Senator COCHRAN. What about the situation in Yazoo City. Let's just take that. We have testimony that's now part of the record that sounds as though they will never be able to improve the airport there, which means that they are just not going to be able to accommodate any additional aircraft activity. They had one tragic plane crash there in 1978 when a King Air went down in a residential neighborhood. You have schools all around the airport. You have industry all around there. One industry has 450 people working right there up against the airport. It's a dangerous situation and you have major employers in the area. Mississippi Chemical Corp. is there and other major employers, but there is no way to safely fly in and out of there. So we have a very serious problem and the application for funding for a new airport located across the Yazoo River is so far down on the list of priorities, according to the program criteria, that they will never get it. And that's the hopeless situation they seem to be in with the program criteria. Am I right about that or can we do something about it?

Mr. MCGILL. Senator, as Mr. Shea indicated, there is a degree of flexibility in the priority system. It is not a rigid system. However, to deviate from the priorities we have to have some justification. The justification can take many forms. It may very well be the degree to which the existing airport does not meet standards. Failing to meet standards in and of itself may or may not increase the priority on a particular airport. So we have to look at the degree to which it does not meet standards and where it's deficient. We have to rely very much on the local people to provide this information to us. Now, I am not that familiar with Yazoo City. Mr. Taylor is and perhaps he could relay the situation at Yazoo City better than I can.

Senator COCHRAN. Is Mr. Taylor here?

Mr. TAYLOR. Yes.

Senator COCHRAN. What is your reaction to this? I mean what can we tell these people up there? I want to help them.

Mr. TAYLOR. Based on the criteria we are currently operating with, I think the scenario that you just painted, that it doesn't appear that we are going to immediately be funding a new airport at Yazoo City is correct.

Senator COCHRAN. Who at the table here can change the criteria? I mean that's what we are going to get down to. It's not a matter of statute. Somebody has got to have it—if we have flexibility in the system, which we just heard, and then we get down to the final answer that nothing can be done about it. That's not good enough for me. I think we need to do something about it. We need to figure out what we can do and do it so we can at least have a process for making some improvements in these dangerous situations.

FLEXIBILITY OF CRITERIA

Mr. HOWE. Senator, maybe I could make a comment that would help a little bit in that area. I think two things, first of all, I will address the general issue and then specifically on something like Yazoo City, although I too am not specifically familiar with the merits of that particular situation. It is something that we will take a look at, but generally—and I listened with interest during some of Ken Barfield's testimony because Ken and I worked very, very closely on a variety of types of issues—I think we have a good communication on a number of these issues.

We do have—as both Mr. Shea and Mr. McGill pointed out—some flexibility in applying these standards. The problem, of course, is a simple one in the discretionary funding area, which is essentially what we are talking about. The amount of money left at the end of the pipeline for discretionary around the country and, therefore, for us here in the southern region is relatively small compared to the other areas. Also carryover entitlement funding for other airports must be funded out of discretionary funding, thereby further reducing the number of dollars available. So we do have as they have indicated lots of competing worthy projects and there must, therefore, be some type of priority given.

One of the things that we have addressed and I am particularly concerned with is that we are not adding new airports to our inventory of national airports in this country for lots of reasons. So it's very important that we keep airports that are in the existing inventory operating properly, correctly, and safely and that, therefore, for instance, if there is a risk with a runway that perhaps is deteriorating or there is some type of a problem with a particular airport, that that airport might be lost to the national inventory.

We have had encroachment problems. Developers have come in. So we are very concerned about protecting those and that's where some of the flexibility would come in. If there is some risk of losing that type of airport from the national system, we will try to accommodate that even though the priority might not otherwise have permitted that. And the same thing is obviously true in a situation where there is clearly a safety problem or some other type of thing. In the case of Yazoo City, this is the first time I have been aware of a concern from a safety standpoint, but that is certainly something that we would take a look at and see whether or not that type of situation warranted addressing it outside of the normal priority type system.

CRITERIA APPLIED TO STATE FUNDS

Senator COCHRAN. What worries me is the Federal guidelines and program criteria are being applied to the State apportionment. Now, why is that necessary?

Mr. HOWE. Well, I think that's a slightly different issue, Senator. First of all, that really relates back, if you may recall, some years back when there was discussion of a block grant program and there had at least—and I believe that there was in one of the predecessor bills of the AIP a proposal for a block grant type of program which did receive at least some, I think, limited agreement around the country. And that, of course, was exactly the purpose of the proposed block grant program to allow the States, basically, an entire range of discretion as to how that money should be spent. That, of course, did not become a part of the existing legislation and I think it's probably perhaps a little early—and I don't profess to be an expert in this area, but I think it's perhaps a little early in our experience with the existing piece of legislation to decide whether we need to revisit the block grant concept. But essentially I think that's what you are talking about.

Senator COCHRAN. I am disappointed in the attitude that ends up resulting in a few worthy project applications just never having a chance of funding because of some rule that you have to have 20 aircraft based at the facility or we have a national policy that we can't build any new airports. We have to take care of the ones that we have or improve the ones we have. But there can be situations I think, just as illustrated by the Yazoo City one, and that's why I picked that one out, where you can't lengthen the runway. You can't do what you would do to make it safer and so you run into the catch 22 situation and you say there is flexibility but there really isn't.

Mr. HOWE. No; I would agree with you, Senator, there perhaps should be more flexibility and I am the first to admit that if there needs to be more flexibility to accomplish that type of situation, that we ought to look at it. There is some flexibility given the limited amount of funds available in the discretionary funding program. And Pascagoula is an example of an area where we are addressing that same type of issue.

FLIGHT SERVICE STATIONS

Senator COCHRAN. Who can briefly outline for us why we should be in favor of the FAA's proposal to close the four flight service stations in Mississippi? Now, I know the FAA had a meeting and invited everybody and nobody came, but we have more people here today and maybe by just someone briefly telling us why we ought to be in favor of that, that might help. We have a good audience. These are influential people from all over the State of Mississippi and they can get the word out to the 5,000 pilots who fly around in our State that this is a good idea if it really is.

Mr. HOWE. I would be glad to do that, Senator. I am glad you raised that issue because this is something that I have been very concerned with and, as a matter of fact, the reason we had that meeting was because Ken Barfield had come over to Atlanta and sat down and chatted with me about it and I agree with Ken's testimony that we were remiss in not telling the story and not telling the pilots basically what the benefits of this type of program were. So we came over here last August to do that. I think we perhaps made a tactical error in that we scheduled the meeting for about 10 o'clock in the morning on a weekday and that probably explained the lack of participation. I think when we do it again we would probably do it some weekend in some area where we could get a better participation.

Senator COCHRAN. Do it right before a ball game somewhere.

Mr. HOWE. We did, however, as a result of that prepare a number of brochures which we have provided. In fact, we have some copies of them on the table today explaining the program. But very briefly, the principal virtue that I think the program has is in the letter that you have. We have not been able to provide the level of service or the type of service to the wide range of users that really is necessary with the volume of pilots we have flying today. Some examples of that are in the weather observations area. We are not providing sufficient weather observations within, for example, the State of Mississippi compared to the demand for flying in all of these different locations. Today we are providing, the FAA, not counting the National Weather Service, are providing weather observations simply at those four locations. And the weather, because of our present system, may be as much as an hour old at the time that a pilot calls to get a briefing. Under the new program we will be providing from automated weather observation stations weather that is accurate up to 30-second intervals at 17 proposed locations throughout the State of Mississippi, and I can provide those for the record if you wish.

AGRICULTURAL BENEFITS

I might point out that one of the things that came out of some of our discussions with Ken and with some of the other people here in the State was that the benefit of the automated flight service station and some of these other aspects of it goes even beyond the aviation community. Here, as in many locations where there are a large number of agricultural operators, the ability to get up-to-date weather information from 17 locations is a tremendous asset to people who are in the business of depending on weather for agriculture and other purposes. So we see that as an immediate very positive benefit.

The other benefits are, I think, the availability of weather around the country on again a more real time basis, as obviously pilots within Mississippi like to fly outside of Mississippi and they can find out what the weather is, for instance, in North Dakota just as quickly and just as expeditiously as they can today. In addition to that——

Senator ANDREWS. Who wants to know what the weather is like in North Dakota?

Mr. HOWE. Maybe in the summertime. But for example, one of the frustrations that many pilots have today is that when they call a flight service station for a briefing they are put on hold, the line is busy. It's very difficult to get through to file a flight plan. We recognize this. With the automated system we will have a vastly increased capacity in terms of ability to get briefings. We will eventually under this program be installing CRT's, visual displays where pilots can provide self-briefing where they have not had that capability. And in addition to that they can automatically file a flight plan if for some reason they do not wish to avail themselves of the briefing. I think there are a wide range of other types of services. And as I say, we have put on this presentation and we have a slide show that we take around now because we learned our lesson. We did a very poor job of marketing our product. We prepared some brochures and we have done this and, as Ken has indicated and as the letter you have from the base operator indicated, that once we explained to the pilot community what we are going to do they learned it provided a tremendous benefit to them.

MODEL II EQUIPMENT

I might add one other thing. In Mississippi under our schedule we will not be closing any of the existing flight service stations prior to 1989. One of the things this will allow us to do is to be sure that the so-called model two computer, which is the computer that would be going into the automated flight service stations, is functioning well, is functioning properly, that these automated weather observation stations are functioning properly, and that our specialists and the pilot community understand the system and are able to get at least as good, we think much better service, than they have today.

Senator COCHRAN. I appreciate that and I am glad to have the assurance that we do have a period of time to phase this system in, that 1989 is the nearest date on which those stations would be closed if this proposal does go through, and that we are not going to be shutting down a service before the other one is fully able to take its place. Is that right?

Mr. HOWE. That's correct, Senator.

Senator COCHRAN. Is there a problem about the number of people who will lose their jobs in Mississippi?

Mr. HOWE. None whatsoever. We, as a matter of fact, have projected in the area that we are working on transition plans that our loss over this period of time through attrition, through normal retirement will be in excess of our requirements to staff a new facility. So we will actually probably be in a position, depending on the location, of having to hire people to staff this facility.

GREENVILLE TOWER

Senator COCHRAN. By the way, let me express my appreciation at this point for the approval of my request to reopen the air traffic control tower at Greenville and also the one here in Jackson which was approved earlier. I appreciate having the opportunity to announce that decision today and also the grant application that we had for the testing of the runway equipment. I appreciate that $59,000. We will use it I am sure very efficiently and we appreciate being able to make that announcement today.

Senator ANDREWS. Ken Barfield is sitting back there smiling for the record.

AIR TRAFFIC CONTROL SYSTEM

Senator COCHRAN. We won't spend it all in one place. We were talking about safety a moment ago. Can you tell us that the safety of the air traveling public is assured now as far as our air traffic control system is concerned? We had a lot of air traffic controllers who were fired, of course, and a lot of adjustments had to be made. Where are we in terms of safety and is that system now fully recovered from that trauma?

Mr. HOWE. Senator, the system is largely recovered in terms of capacity. Within the southern region we are completely recovered in terms of capacity. As a matter of fact, we are setting records at a number of our facilities for capacity, for operations that are far greater or considerably greater than that that we had prior to the strike. In terms of the level of safety, as you know, the administrator committed himself to not cutting any corners whatsoever with respect to our tried and proven training technology. We have used that. We believe that the new controllers that have entered into the system are an enthusiastic, highly trained, highly skilled group.

When we look at statistics we have watched the system very carefully. We have put in quality control monitoring devices which we had not had prior to that. We find that the normal indicators, the types of errors that we recognized taking place in the past, that there has been a downturn in those, notwithstanding the increase in number of operations. The system—we have work to do. We still have controllers who are not fully checked out on all positions. They must go through a very rigid training program before they can be checked out on all positions and that does provide some constraints at some locations. But in my judgment particularly within my area of responsibility, the system is operating better than I have ever seen it operate in the past.

SMALL AIRPORT GRANTS

Senator COCHRAN. Before I stop my questioning let me just point out my singling out of the Yazoo City situation shouldn't be interpreted by anybody as a suggestion that their application for funding ought to be moved ahead of any other eligible application that's pending in the system. We have a lot of meritorious applications for projects, approval for other airports in Mississippi in other locations. But I singled that out to identify what I consider to be a failure of the system to take into account special situations and an inadequately flexible process by which these applications are considered and ruled eligible or not eligible. Before leaving that general topic, should we consider maybe creating a new and separate category for projects that would just apply to smaller airports if the flexibility is so difficult to come by?

Mr. SHEA. Senator, it was mentioned earlier today that 2 years ago the State block grant program had been part of the policy consideration and fell out of the process. As you know, the state block grant program was strongly supported by the administration, along with the defederalization of certain airports, which I understand is still being reviewed. I feel that the airports program has worked very, very well on balance; it is one of the very fine Federal programs in the United States. Yes; small airports are indeed extremely important to the total system, because a sound, small airport system means an overall strong airport system, and a good airport system means a strong aviation system.

Again, as I said earlier, the State block grant program may be a vehicle to be revisited and they are extremely important to small airports. We in the national airports program based on our allocation process, feel that there have been new airports built in the past 24 months, not as many probably as many people would like and many groups would like, but it works on balance. And again we are dealing with a finite resource with only so many dollars and we are doing the very best we know how with the resources available and I think on balance the positive record speaks for itself, a fine national airports program.

Senator COCHRAN. Thank you, Mr. Shea. And, Mr. Secretary, thank you for being here and adding to the hearing. We appreciate the cooperation that all of you have exhibited today in participating in our hearing and helping us to deal with the issues that have arisen. Thank you very much.

ILS AT UNIVERSITY-OXFORD

Senator ANDREWS. Senator, I appreciate your contribution. You hit on a number of these subjects specifically tying in with Mississippi. Ken Barfield mentioned earlier one of the questions that I would like to pursue before I conclude the hearing and that has to do with the instrument landing system. The Senate report as I recall accompanying our fiscal year 1984 transportation bill indicated our committee's intention that an ILS be established at three locations, one of them was University-Oxford, Miss. We understand now that installation is scheduled for late 1984 or 1985. Mr. Shea testified to that. Why will it take that long and what can be done to speed up that time table?

Mr. HOWE. Maybe I can comment on that, Senator. First of all, the delivery schedule is established basically on the equipment delivery from the manufacturer. Now, we have some flexibility to the extent that if another location whose equipment is on the schedule and has been ordered, if for some reason that other location around the country has not met its obligations in terms of site preparation and in terms of clear zone easements and that type of thing, and that happens from time to time, then we would be in a position if Oxford was ready for the installation to be able to speed that date up. But we do actually have a delivery schedule based on a particular piece of equipment for a particular airport and the late 1984 date is predicated on that delivery schedule.

Now, as I indicated, if, for example, University-Oxford is able to secure the clear zone easements and site preparation earlier than that and another piece of equipment becomes available because some other airport has not completed it, then we would certainly go ahead.

Senator ANDREWS. And so, in other words, in response to the point that Director Barfield made earlier, if his shop is ready to go, he can talk to you and it might well be that you can get another ILS, one that would move in and update them by a period of several months.

Mr. HOWE. That's absolutely correct, Mr. Chairman.

Senator ANDREWS. We appreciate that. How many ILS systems are now in place?

Mr. HOWE. In the State of Mississippi?

Senator ANDREWS. No; in the Nation.

Mr. HOWE. We have about 700 I am told.

Senator ANDREWS. How many did you install during fiscal year 1983?

Mr. HOWE. In fiscal year 1983 we installed replacement ILS's.

Senator ANDREWS. You have not installed any new ones?

Mr. HOWE. We have not installed any new ILS's.

Senator ANDREWS. And the ones that are going to be installed this fiscal year are replacement ILS's as well?

Mr. HOWE. They will be replacement—with the exception of a few locations such as University-Oxford and one or two other locations, they will be replacement ILS's.

Senator ANDREWS. But there is a total of three, as I understand it, that we pointed out and directed you to establish. These are the three new ones. Can you update the subcommittee on the procurement and installation of the microwave landing system?

Ken, they just told us that if you are eager to get that ILS at Oxford they might be able to step it up a little bit. I just wanted you to know that when you were out they dropped a nice one.

MICROWAVE LANDING SYSTEMS

What about the procurement and installation of microwave landing systems nationally? What's the timetable for conversion?

Mr. HOWE. Well, I can comment on that generally, Mr. Chairman, although that's a matter of procurement being done on a national basis. The procurement is going forward. In fact, the first orders for microwave landing systems I understand are going to be placed within the next month. As you are probably familiar, the whole scheme of the implementation of the microwave landing system is being done on a network basis. The reason for this I think was several fold.

First of all, there were locations in the country where the virtues and benefits of the microwave landing system in terms of terrain and other such considerations were much more apparent than in other locations. Second, in terms of the users investing in the type of equipment to receive this equipment, it made sense to provide these in an area where those users would get the maximum benefit from it.

It is true, as I think Ken Barfield testified, that the southern and southeastern portion of the United States will be down the road quite a piece in terms of the installations of microwave landing systems. I think it is an area of legitimate concern and it's an area that we are concerned with as well. And it is a program that I think in terms of whether or not additional conventional ILS's should be installed in particular locations is one that is being looked at particularly in areas where the MLS may not be coming along for 10 or 15 years.

Senator ANDREWS. When we go into MLS, is that compatible with ILS equipment now in airplanes?

Mr. HOWE. It is not compatible electronically with the existing black boxes; however, the whole program contemplates that the display made available to the pilot will be exactly the same so that, although there will be a black box that receives the conventional ILS and the black box that receives the microwave landing system, the display to the pilot will be the same. Indeed, we are obliged by international obligation to protect the conventional ILS until 1995. So at many, many locations around the country we will, in fact, have both conventional ILS and MLS operating at the same time.

Senator ANDREWS. And then eventually you are going to phase out so that the individual in the airplane has the equipment that will take care of the MLS?

Mr. HOWE. Yes.

Senator ANDREWS. You have been most helpful. Again, let me restate for those of you who arrived during the hearing that Senator Stennis, who is a valued member of this subcommittee, would have liked to have been here but as you know he is recouperating in his daughter's home and so he wasn't able to be here. I appreciate, Senator, your hospitality and I think we have added a great deal to the record.

We appreciate the cooperation of those of you from the Washington office to come in with your key regional people so we can examine, not just the overview that we get when we hold hearings in Washington, but what you are doing as it ties into a specific State. It has been most helpful and I would hope that we have found some interesting new opportunities for those of you from the State of Mississippi who were so good to come in and testify to us.

Senator COCHRAN. Mr. Chairman, before we leave could I just thank those who have come to attend this hearing for being here and giving us a chance to visit during the break and before the hearing and I am sure we will have a chance for a few individual comments afterward. But it gives everybody a chance to talk with some of the officials who were here today about projects and pet projects and other questions that might be on our mind here in the State, and I am glad to have the chance again to thank you for being here too. You are really good to come down here and take your vacation time when you could be doing something that would be more fun than working in Mississippi on matters that are so important to us.

Senator ANDREWS. Let me say, Senator, we could have held these hearings in North Dakota and we would have found out about exactly the same thing. The only thing is as I recall yesterday I was going around Vicksburg and some other places and the temperature said 71 degrees. Now, if we would have had these hearings in North Dakota, while we would have gotten the same facts into the record, the wind chill factor up there is right now about 24 below or something like that this morning. And that's warm for us because over Christmas it was 75 below. So I think out of deference to our friends in the FAA we held the hearing down here at your suggestion. I think we made an excellent record and we do appreciate all your participating in it.

Senator COCHRAN. Mr. Chairman, let me also thank some of my staff members. They have had a lot of work going into the hearing from Carrie Laird, who is here from my Jackson office; and James Lofton in my Washington office; and Sally Smith who is here; and Pat Tusaie, who is your staff person who did an exceptionally good job helping us prepare the hearing; and Cindi Rogers who made that machine work over there. We appreciate your help so much. And the Ramada Inn Metro, the people who helped us set this place up and make it available at no cost. The Federal Government likes that.

Senator ANDREWS. This is fantastic.

Senator COCHRAN. We appreciate all of that. Thank you, Mr. Chairman.

CONCLUSION OF HEARING

Senator ANDREWS. I might add one personal note, my old roommate from West Point, Barney Pool, is here. He has been living down here in his favorite place instead of up in that tough climate up north. You have been great. I think we have had a good hearing and the subcommittee will stand adjourned.

[Whereupon, at 11:45 a.m., Monday, January 9, the hearing was concluded and the subcommittee was recessed to reconvene at the call of the Chair.]

MATERIAL SUBMITTED SUBSEQUENT TO THE HEARING

[CLERK'S NOTE.—The following statement was not presented at the hearing, but was submitted to the committee for inclusion in the record subsequent to the hearing:]

STATEMENT OF LAWRENCE L. BURIAN, PRESIDENT, NATIONAL AIR TRANSPORTATION ASSOCIATION

As the representative of the nation's air taxis and fixed base operators (FBOs), the National Air Transportation Association (NATA) appreciates the opportunity to present our views on deregulation, airport and airway funding and Flight Service Station (FSS) consolidation. We regret we couldn't attend the hearing in Jackson but we would like our statement to be made part of the hearing record.

The Association feels that deregulation of the air transportation industry is a success and in the long term will benefit the traveling public. It has allowed the major carriers to tailor their route structures to the types of aircraft they operate. This has permitted commuter airlines to provide service with smaller aircraft specifically designed for low-traffic markets. In instances where commuters could not service a community economically, on-demand air taxis and general aviation aircraft have met the traveling public's needs with flexible and efficient air service.

Perhaps the biggest challenge facing the aviation industry under deregulation is changing the public's perception that small aircraft are unsafe. The recent GAO report entitled "Small Air Carrier Aircraft Have a Significantly Higher Accident Rate Than Larger Air Carrier Aircraft" only serves to widen this misperception.

We disagree with the GAO report stating that smaller aircraft used by commuters and air taxis are considerably less safe than the larger aircraft used by major airlines. After reviewing the data used by GAO, we found many errors which were thoroughly discussed in our testimony to the House Subcommittee on Investigations and Oversight; Committee on Public Works (Attachment A). The GAO report stated that the accident rate for one- to nine-seat air carrier aircraft is almost 18 times higher than the rate for large air carrier aircraft, when in fact, after eliminating the errors in the GAO data, we found small (one to nine seat) air taxi aircraft to have only a 2.5 to 3.0 times higher accident rate. This is remarkable when one considers the environment in which most of these smaller aircraft operate.

This environment can be improved by the use of Aviation Trust Fund monies to enhance the airway and airport facilities these aircraft use. The purpose of the Airport and Airway Improvement legislation passed in 1982 is to modernize the operating environment of U.S. aviation. Thus, we urge your Subcommittee to appropriate the authorized amounts for Facilities and Equipment and Airport Improvement, including shortfalls from previous years in order to procede with the modernization of our airport and airway system.

We commend your recent actions of delaying Federal Aviation Administration (FAA) closure of FSS facilities. Our support of the FSS consolidation plan was provided with the understanding that FAA would not close any FSS facilities until their replacements are operating. We urge this Subcommittee to monitor the FAA to ensure there is no degradation of this vital service to the aviation community.

Thank you for this opportunity to express our views and we look forward to the up coming appropriations hearings in April.

[ATTACHMENT A]

October 17, 1983

The Honorable Elliott H. Levitas
Chairman, Subcommittee on
Investigations and Oversight
Committee on Public Works and
Transportation
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Levitas:

As the representative of the nation's air taxi operators, the National Air Transportation Association (NATA) is pleased to provide the following written statement to the Subcommittee on Investigations and Oversight on the General Accounting Office's draft report entitled "Small Air Carrier Aircraft Have a Significantly Higher Accident Rate Than Larger Air Carrier Aircraft." As was expressed by Acting Chairman Rowland at the Subcommittee's September 27th hearing, this statement will be made a part of the formal hearing record.

Since the September 27th hearing, we've spent many hours analyzing the National Transportation Safety Board (NTSB) air taxi accident records. We're grateful to the NTSB for its courteous and prompt response to our request for computerized accident summaries. Our analysis showed several accident classification discrepancies of which the Subcommittee should be aware. For example, in 1980 there were two jet aircraft accidents in which the pilot crew was the sole occupant. It is obvious that the flights were for the purpose of "ferrying" or "positioning," yet they were both classified as air taxi passenger carrying accidents and those fatalities charged against air taxis. Other records showed DC-3 accidents classified as air taxi accidents, even though those aircraft are typically operated under FAR Part 135.2 exemption authority which is more restrictive and more closely aligned with FAR Part 121. We've also been told that some accidents involving the timesharing of business aircraft are charged to air taxis. We suspect this is true since revenue exchange is involved. We recognize the difficulty experienced by NTSB in classifying accidents, but the quality of the information suffers when a classification is made improperly. We submit that the present data collection system is flawed and recommend the NTSB and FAA work with industry to develop a better data base without the bias present in the current system.

Even though the absolute accuracy of the NTSB data is questionable, we were able to divide the air taxi accident records for the years 1979, 1980 and 1981 into four distinct and separate categories: Alaskan air taxi, all cargo air taxi, rotary-wing air taxi, and fixed-wing air taxi. We classified the accidents in this manner because of the totally different conditions under which these four types of air taxi operations are conducted. Our analysis showed that fixed-wing air taxis were responsible for 31.6 percent of the accidents, air cargo 13.9 percent, helicopter air taxis 23.7 percent, and Alaskan air taxis 29.8 percent. We felt this type of basic analysis was absolutely essential in order to determine if a problem existed in air taxi operations and, if so, in which specific category of operations.

It is interesting to note that Alaska accounts for slightly more than 3 percent of the nation's general aviation aircraft[1], but almost one-third of the air taxi accidents. It is equally interesting that helicopters constitute 4 percent of the nation's general aviation aircraft[2], but are responsible for 23.7 percent of the air taxi accidents during the 1979 through 1981 period.

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[1] General Aviation Activity and Avionics Survey, December 1981, Report No. FAA-MS-81-5, TABLE 2-2

The GAO report attempted to compare accident rates of air taxis and scheduled air carriers based on 100,000 flying hours. Since air taxi aircraft generally fly shorter stage lengths than the scheduled air carriers, this comparison penalizes air taxis unjustly and does not present a true picture. The GAO draft points out that most accidents occur on take-off and landing, but the statistics do not reflect a rate based on the number of such operations. While there is no data available for total air taxi take-offs and landings, the FAA air traffic activity report of February 1982[3] does reflect instrument flight rule (IFR) departures for air taxi aircraft in the years we examined. It does not reflect visual flight rule (VFR) departures. It may be safely assumed that the 3.7 million air taxi IFR departures noted by FAA correspond with an equal number of arrivals for a total of 7.4 million IFR operations. Based on the 155 fixed-wing air taxi accidents in 1979 through 1981, and the 7.4 million IFR operations, this category of air taxi operations had an accident rate of .0000209 per operation. Computed in the same manner, the scheduled air carrier accident data for the same period reflects an accident rate of .000004 per operation. Presented in this manner, a passenger is about five times as likely to be involved in an accident in an air taxi aircraft as in a scheduled airline aircraft. This is still not a true picture since virtually all scheduled air carriers must fly IFR and air taxis may fly either IFR or VFR. It would not be unrealistic to estimate that there are an equal number of VFR air taxi departures as there are IFR departures. That would effectively reduce the air taxi rate to one-half that calculated above.

There's still another way to calculate meaningful data if the true intent is to evaluate safety. The ultimate test of safety is whether there is a loss of life. This test eliminates some of the fuzzy definitions of accidents. We used the unrefined figures that are reflected in the GAO draft report and calculated that air taxis suffered a fatality for every 37,492.18 commercial flight hours for a rate of .0000266 per flight hour. During the same period, Part 121 scheduled air carriers experienced a fatality every 56,504.197 flight hours for a rate of .0000176 per flight hour. This figure indicates that a traveler is approximately twice as likely to be killed on an unscheduled air taxi as on a Part 121 scheduled air carrier. Based on these numbers the air taxi passenger could fly a daily round trip of two hours, 365 days per year, for a period of 51.36 years before becoming a victim of statistics. This would seem to refute the exaggerated conclusions contained in the GAO report.

It is not our purpose to confuse this Subcommittee by doing tricks with statistics in an attempt to manipulate them to our advantage. We do, however, believe that the GAO has treated the NTSB data in a cavalier manner and drawn erroneous conclusions.

The draft report makes the somewhat naive assumption that if all air taxi aircraft were manufactured to FAR Part 25 requirements, most of the accidents would be eliminated. To endorse such a statement reveals an ignorance of the real world fact that all aircraft design is a series of compromises and trade-offs. The need for an overabundance of power for take-off must be balanced with the requirement for economical cruise. Increased engine power may dictate heavier landing gear, redesigned control geometry, shortened range and greatly increased cost of acquisition, maintenance and operation. We feel that the United States general aviation manufacturing community has achieved an excellent balance of these many diverse factors. A wholesale change to the standards of FAR Part 25 would destroy the air taxi and aircraft manufacturing industries of our country.

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[2] IBID, TABLE 2-1

[3] FAA Aviation Forecasts, FAA-APO-82-2, Table 17, Page 53

There were many unsupported statements made throughout the GAO report. Some were erroneous and misleading. We do not propose to enumerate each of them in this testimony. We would rather take a positive approach and point to some of the actions that are currently in progress to improve the safety of flying in smaller aircraft. These include but are not limited to the following:

- Despite the fact that there has been no conclusive evidence of fatigue creating a safety hazard, industry, in conjunction with the FAA has concluded a lengthy negotiation on flight and duty time that should eliminate any potential for such an occurrence. We anticipate a Notice of Proposed Rulemaking on this issue will be published for comment before the end of the current calendar year.

- Industry worked without government mandate to develop a permanent solution to the problem of aircraft misfueling. We are proud to have played a role in this noteworthy endeavor.

- NATA has long advocated increased use of training devices in flight simulation. The NATA Flight Simulator Committee worked with the FAA for over two years to develop a test guide for approval of such devices. We distributed the document, at our expense, to every General Aviation and Flight Standards District Office in the country. We're currently working on other projects to facilitate flight simulation and make it more attractive.

- FAA Administrator Helms appointed an industry committee to evaluate general aviation safety and make recommendations to the FAA. After several months of deliberations, the report endorsed increased flight simulation, pilot recurrent training, qualitative flight instructor evaluation and formalized judgement training.

- The general aviation community has supported reasonable levels of user taxation on the basis that those funds will be used to improve the flight environment in which we operate. We've endorsed the concept of automated weather reporting, traffic conflict resolution, automated flight following, STOL strips at major airports and many other aspects of the National Air Space System Plan and the Airports Improvement Plan. Every element, when in place, will contribute to safer flying.

In conclusion, we feel the GAO draft report was premature, superficial in nature, and contained unsubstantiated conclusions that were misleading. It is strongly recommended that the draft report be discarded. The calculations cited herein give adequate identification of trouble spots in our industry to guide remedial efforts.

Further, industry would welcome the opportunity to work with the FAA and the NTSB to develop reporting criteria that would furnish valid and meaningful information to facilitate safety evaluations.

Again, we appreciate the opportunity to submit our views on the GAO draft report on small commercial aircraft safety.

Sincerely,

L. L. Burian

Lawrence L. Burian
President